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Shaky Yen Rattles Entire Region

Asian Markets Fall as Analysts Fear Fresh a Bout of Devaluations

By Philip Segal

HONG KONG - The Japanese yen, falling farther and faster than almost anyone expected, darkened economic prospects across Asia on Mon-day, as economists began to talk not of an Asian slowdown or recession, but in some countries of outright depres-

As the dollar rose above the 140 yen barrier, with the yen at a seven-year low, the Japanese currency has already reached what just a few weeks ago had

been the official forecast by many economists for its year-end level.

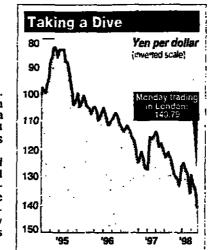
Currencies across Asia dropped as the weakness of the yen raised the prospect of heightened Japanese trade competition with its neighbors as well as diminished Japanese investment in

the region.
"The pace of contraction in the first quarter in many of these countries is unprecedented," said Sun Bae Kim, an economist at Goldman, Sachs & Co. in

In Malaysia, Santander Investment said it expected the economy to contract by as much as 5 percent this year alone.
"The reality of a depression means a classic deflationary adjustment," a company report said, "which is what Asia is now experiencing as excess production capacity is wiped out."

The speed of the ven's fall increased fears in particular that China would soon feel it has no competitive alternative but to devalue its currency, the yuan. This is an event that most economists say would push Asia into a new round of major currency devaluations

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As Seen Up Close, The Crisis Is This: For a Child to Eat, Her Mother Dies

By Nicholas D. Kristof New York Times Service

BAN WAN YAI, Thailand — Sitting on the ground beside her hut, Bangon Phailak chopped up wild plants for lunch and pondered a wrenching question: What does her 4-year-old daughter need more, food or a mother?

Mrs. Bangon, a gentle woman whose soft face is framed by thick black hair, explained that the family cannot afford both. As a result of the Asian financial crisis, her husband has lost his job as a construction worker, so the family earns only a trickle of cash through odd jobs in this village in northeast Thai-

That money can be used to buy rice and milk for the little girl, Saiyamon, who has become anemic and malnourished. Or Mrs. Bangon can try to save the tattered small-denomination bills to pay for a stomach operation that she needs to save her own life.

lome to Will

For now, Mrs. Bangon has chosen to spend the money on Saiyamon. She herself has already lived for 32 years and, she reasons, what would be the point of preserving a mother at the cost of a child?

Seen up close in villages, the Asian financial crisis is not a conundrum of currency pegs and credit crunches and various imponderables. In bouseholds like Mrs. Bangon's, it is as immediate as a typhoon,

and rather more deadly.

'A year ago, at least we had enough rice,' Mrs.
Bangon said softly. 'These days, we don't even have enough to eat."

In the 11 months since the crisis exploded in Thailand and began spreading through the region, the most prominent victims have been the humbled tycoons in the big cities, and they have indeed fallen farthest. But they are neither the most common

victims nor the most desperate.

The worst off are those like Mrs. Bangon, who were already at the margins of society - those who had almost nothing before and who now, somehow. have even less.

A lag in the data means that there are few statistics so far on the social impact of the crisis. Most evidence of the human cost is anecdotal, gleaned from travels through remote areas in Asia and from the findings of rural clinics and aid workers like field

See POOR, Page 9



Bangon Phailak watching her 4-year-old daughter, Saiyamon, play in their village in Thailand. The mother is facing a choice between lifesaving surgery for herself or food for her child.

A Crushing Blow to Japanese Ego

Plummeting Currency Marks Symbolic End of Go-Go Economy

By Mary Jordan

TOKYO - For years along Waikiki Beach, the Japanese language has been as common as swaying palms. Signs in store windows say "yen O.K.," and even the waiters in pizza parlors can speak passable Japanese — a handy skill, because, until recently, a third of Hawaii's tourists were from Japan.

But things are noticeably quieter these days, as many of the islands' best customers stay home, spend less or go to cheaper Asian destinations. The same trend is noted at other favorite spots for Japanese tourists, including Australia, where hotels, resorts and even duty-free shops that could once bank on

Japanese shoppers are hurring.

A key reason: the value of the Japanese currency, the once-almighty yen, has plummeted in value against the U.S. dollar. On Monday, the dollar rose to a seven-year high of 140.60 yen in Tokyo. The value of the yen

has slid more than 40 percent in just three years.

"This is a pretty huge drop," said Richard Jerram, economist with ING Barings in Tokyo. In this decade, he said, "the yen has been the only major currency with this kind of fluctuation."

This is not the first time the Japanese yen has been weak compared with the dollar, and the devaluation is not all bad news for Japan. In fact, exports of cars and videocassette recorders and other goods are booming. But the dramatic change in value of the currency of the world's second-richest country, to a level where some foreigners here now describe the yen as "cheap" and 'soft," marks a symbolic end to the Japanese go-go days. For years after the economy began to slump in

See YEN, Page 6

Nigerian Strongman Dies of Heart Attack

Abacha's Death May Open Way For a Return to Rule by Civilians

By James Rupert

ABIDJAN, Ivory Coast — Nigeria's military strongman, General Sani Abacha, died Monday, apparently of a heart attack. His death will open a power struggle within Africa's most populous nation that could open possibilities for returning the country to civilian rule. General Abacha, 54, seized power in

1993. He had made few public appear ances since he greeted Pope John Paul II

State television said that Nigeria's ruling military council was meeting late Monday night. The report did not say whether the council would choose a successor.

There is no clear mechanism for succession, leaving top military officers to make ad hoc decisions. The internal polnics of the Nigerian Army are obscure, with strong but hazily defined constituencies that will dispute whether the military should hand power back to civilian rule. There was no immediate indication of

who might succeed General Abacha. The opposition coalition called for Chief Moshood Abiola, who is widely believed to have won the aborted 1993 vote and who is under detention, to be

made head of state, Reuters reported.

"Abiola should be invited to head a government of national unity to organ-ise a sovereign national conference and lead Nigeria to genuine democracy," said Gani Fawehinmi, leader of the Joint

Action Committee of Nigeria. General Abacha died at dawn, the army chief of staff, General Abdulsalam Abubakar, announced in late afternoon.

Earlier in the day, troops ringed the vast grounds of the presidential villa at the edge of the capital, Abuja, cutting off access to all but senior military officers. Journalists were summoned by top officials for a press conference, but when they arrived, they were turned

away by the troops.

Nigeria's military has ruled the country for 28 of its 38 years of independence, developing a reputation for corruption and authoritarianism. "Most officers feel the military has been the biggest losers from military rule," Isawa Elaigwii, a political scientist who has taught officers for years at the Nigeria War College, said last month.

Still, "there are officers, both junior and senior, who are looking for the ego trip and the power and wealth" that go to those

who reach the top, Mr. Elaigwu said.
Technically, General Abacha ruled
Nigeria as the chairman of the Provisional Ruling Council, a committee of top officers. His deputy on the council, Lieutenant General Oladipo Diya, was arrested in December and charged with plotting a coup. Last month, a secret military tribunal sentenced General Diya and several other top officers to death.

Although General Abacha had pledged to hand the government over to an elected civilian administration, in



General Sani Abacha, in a 1993 file photo shortly after he took power.

April he became the only nominated candidate for the presidency.

Opposition to General Abacha's rule

has been mounting in recent months with the prospect that his junta might not honor its pledge to hand rule over to

The Associated Press reported from

Lagos:
Even in a country long battered by hard-line military regimes, General Abacha stood out as icy and unfor-

giving, willing to flout world opinion in his quest for absolute power.

Critics, be they Nobel laureates, former heads of state, or environmental activists, faced certain arrest and sometimes execution if they persisted in chal-lenging General Abacha and the mil-

itary government that emerged from his November 1993 coup. Increasingly paranoid as opposition to his rule increased, General Abacha spent his final years a pariah to the world, blocked by diplomatic sanctions from getting a visa to seek medical treatment in the West.

He was a recluse in his oil-rich but impoverished country. He rarely traveled, fearing a coup in his absence, and when he visited neighboring countries it was usually for less than 24 hours. He never gave interviews and appeared in public with his eyes hidden behind dark glasses.

Born Sept. 20, 1943, in the northern state of Kano, he was a career soldier, enrolling in the army as an infantryman at the age of 18 and attending military training colleges in the United Kingdom and United States as well as at home. He became a familiar figure to Ni-

gerians watching a succession of military governments come and go: When generals ousted Nigeria's last civilian government in 1983, it was General

See ABACHA, Page 8

U.S. Moves to Sue Intel, Saying It Bullies Rivals

FTC Accuses Chipmaker of Antitrust Violations

By Brian Knowlton International Herald Tribune

WASHINGTON -- The Federal Trade Commission voted Monday to sue Intel Corp., the California company that dominates the world market for microprocessors, saying that it had used its might in the market to bully smaller

	The Dollar	
New York	Monday @ 4 P.M.	previous close
DM	1,7795	1.7743
Yen	140.67	139.75
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rivals into sharing trade secrets in violation of antitrust law.

The FIC charged that Intel had il-

legally used its market power when it denied three customers — Intergraph Corp., Digital Equipment Corp., and Compaq Computer Corp., which is the largest maker of personal computers in the world — continuing access to technical information they needed to develop systems based on Intel microprocessors. The agency said Intel had otherwise sought to punish them for refusing to license key patents on its

"If Intel can use its monopoly position in the market for microprocessors to prevent other firms from enforcing their own patents," said William Baer, director of the FTC Bureau of Competition, "other firms will have little incentive to invent new features to challenge Intel's dominance."

Intel has annual worldwide sales of \$20.8 billion. The company's chief executive officer, Craig Barrett, in office less than a month, promised a vigorous legal

fight.

We believe our actions in the marketplace are totally legal, he told reporters during a Tokyo visit, Bloomberg News reported.

Mr. Barrett last month succeeded Andrew Grove, long the driving spirit behind the fast-growing company.

The FTC action had been expected, mirroring the recommendation a week earlier of staff investigators. Yet the 3-to-I vote echoed loudly, coming weeks after the Justice Department filed antitrust proceedings against Microsoft Corp., the other giant in the computer industry,

ment antitrust officials are troubled by a See INSIDE, Page 21

and reinforcing the sense that govern-



WINNER -- Joseph (Sepp) Blatter celebrating his election as president of FIFA, soccer's governing body, in Paris on Monday. Page 22.

.. Page 3. The Day of Death on Jakarta's Campus Pages 10-11. Sports Pages 22-23. Heston's New Role: Star of the NRA

AGENDA

Wells Fargo to Merge With Midwest Bank

Wells Fargo & Co. and Norwest Corp. said Monday that they would merge in a \$34 billion deal that would create a U.S. banking powerhouse with the said of the said branches or outlets in all 50 states.

in assets, more than 90,000 employees,

nounced this year are completed.

The combination of Wells Fargo and
Norwest is to have about \$191 billion
The combined company will keep
the Wells Fargo name and its San Francisco headquarters. Page 15.

A World Cup Tribute for Saint Laurent

apotheosis of Yves Saint Laurent's career. The French fashion designer will stage a 12-minute parade at the final of Saint Laurent's 40-year career. (Suzy the championship. Viewed by 80,000 Menkes reports, Page 13)

The start of the World Cup soccer championship Wednesday locks off the monthlong fest that will lead to the spectators and an estimated television audience of 1.7 billion, the event will be the largest fashion show in a global universe. The outfits have been chosen to express creative highlights in Mr.

Air France Stays Grounded on Eve of Cup

The Air France pilots' strike entered World Cup soccer tournament starting its second week Monday with talks at a Wednesday could count on the parstandstill and management reportedly determined to impose salary cuts.

ticipation of its official airline. Air France said it would fly the 32 teams, as With positions hardening on both sides, it appeared unlikely that the means of transport. Page 8.

EU and NATO Act to Raise Pressure on Milosevic

By William Drozdiak Washington Post Service

BERLIN — The European Union imposed fresh sanctions on Serbia on Monday as NATO commanders accelerated plans for military intervention to prevent fighting in Kosovo between Serbian forces and ethnic Albanian guerrillas from engulfing neighboring

The 15 nations of the European Union banned new investment in Serbia and froze its foreign assets to punish Belgrade for its brutal crackdown against ethnic Albanians, who account for 9 out of 10 inhabitants in Kosovo Province. At least 250 people have been killed since February when special police units from the rump Yugoslavia, now composed of Serbia and repetition of the ethnic warfare that wracked Bosnia Montenegro, launched their campaign to crush the Kosovo Liberation Army.

The EU's foreign ministers, meeting in Luxembourg. said that Serbia's campaign to suppress ethnic Albanian rebels went "far beyond what could legitimately be described as a targeted anti-terrorist operation." The ministers said President Slobodan Milosevic of

Yugoslavia bore "special responsibility" for the excessive use of force that has driven thousands of ethnic Albanians from their homes in what they called a new wave of "ethnic cleansing."

Foreign Secretary Robin Cook of Britain warned Mr. Milosevic to "back off" or confront an international community that, he said, will not accept a

for more than four years. "Modern Europe will not tolerate the full might of

an army being used against civilian centers," he said [The United States said Monday that it was moving toward reapplying economic sanctions on Serbia, Reuters reported from Washington. "We are clearly moving in the direction of reimposing sanctions," the State Department spokesman, James Rubin, said.)

In Brussels, NATO officials said that defense planners were hastily preparing a series of military options that could be presented to alliance defense ministers this week. The options include the possible preventive

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PAGE TWO

Unintentional Martyrs / Deaths on an Indonesian Campus

Killings of 4 Students Galvanized Uprising

By Keith B. Richburg Nashineton Post Service

AKARTA — Elang Mulya Lesmana's parents first noticed changes in their son at the be-ginning of April. He started reading newspapers, asking questions about the country's economic decline, becoming more politically aware. Then he brought out his dark blue university blazer and asked his mother to sew on all the school

patches, declaring, "Starting tomorrow, I'm going

to wear this every day!

The one day Mr. Elang forgot his jacket was May 12, the day of the big demonstration here at Trisakti University, which had been called to demand the end of President Suharto's 32-year rule. When the shooting started, he must have stood out at the top of the school steps, a sole T-shirt amid a sea of dark blue blazers, waving his arms and directing the other students to safety. That's when a sniper's bullet ripped through his chest.

Mr. Elang, 19, was one of four Trisakti students

killed that day by unseen gunmen; three others were wounded, two seriously. Hery Hartanto, 21, was killed by a bullet in the back after he paused during a lull in the chaos to wash the tear gas from his face and hands with water from a plastic bottle. Henriawan, 20, was shot twice while running, once in the back and once in the neck, he managed to make it to the base of a flagpole in the center of the campus to sit down and die. Hafidhin Royan, 21, a quiet young man who had never gotten involved, died instantly when a bullet pierced his head, just above the ear.

More than any other single incident during months of political and economic turmoil, the shootings at Trisakti University led to the toppling of Mr. Suharto and the emergence of a new political order in Indonesia. The slayings triggered rioting here in the capital that left more than 1,000 people dead. and they led the armed forces to decide

that Mr. Suharto had to go before the security situation in the capital became untenable. And they added new urgency to demands across Indonesian society for a more democratic political system.

A reconstruction of the Trisakti shootings offers a revealing look at how and why Mr. Suharto's government collapsed so suddenly and raises questions about the role of powerful military commanders that still haunt Mr. Suharto's successor, President B. J. Habibie. The stories of the slain Trisakti students show that these four average young men from middle-class families, like many young people across this archipelago of more than 200 million people, were swept up in a rapid political awakening this spring that transformed their lives and ultimately made them unintentional martyrs.

An investigation of the shootings suggests strongly they were a deliberate act supported by hard-line military elements opposed to reform. Interviews with students at the scene that day, including two of those still hospitalized - as well as friends, family members, human rights investigators and diplomats -- indicate the shootings were not random acts by security forces firing blindly into a crowd. Almost all the victims, killed and

"It was not a sudden burst of fire," said a Western diplomat who also has studied the incident. "It was slow, deliberate fire, for over an hour, and that can be proven." He added, "You're talking about targeting — that counts for the high number of

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kills for the number of wounded.

On Saturday, the military announced it was charging two police officers. First Lieutenant Agus Tri Heryanto. 29, and Second Lieutenant Pariyo, 30, of the police anti-riot brigade, with disobeying orders and not controlling their troops. An internal military

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investigation has blamed the police for using live rounds, instead of rubber bullets, when dispersing the students.

But police officials have denied issuing any live rounds to officers on May 12, and defense lawyers and other Indonesian sources said they suspect the police are being made the scapegoats for a military unit that was really behind the Trisakti slayings.

Several sources said they suspect elite units of the army special forces, called Kopassus, of master-minding the incident because of the skill needed to carry out the shootings. Those units were once under the command of Lieutenant General Prabowo Subianto, a tough and ambitious officer who is also Mr. Suharto's son-in-law.

In March, General Prabowo was promoted to head the much larger Army Strategic Reserve Command in Jakarta, but he maintained his influence over the Kopassus forces he helped train and equip, with assistance from the U.S. military.

This was not an unfortunate action," said Marzuki Darusman of the government-sponsored National Commission on Human Rights. "There was a move their marches off campus and into the streets

The demonstration was to begin in the late morning of May 12. The protesters were becoming bold — encouraged, many believe, by the armed forces' relative leniency even as they pushed their rallies farther beyond the campus gates. This time, the students planned to take their protest a few ki-lometers down the highway to the national Parliament building. Mr. Suharto was out of the country, attending a conference in Cairo.

Just before 11 A.M., the red-and-white Indonesian flag in the center of campus was lowered to half-staff, and the students, joined by faculty members, began singing the national anthem. There was a moment of silence. a sign of respect for the country's poor and suffering, followed by a series of fiery speeches. The crowd was getting revved up for the march.

For hours, the students alternately negotiated with the police to be allowed to move and sat on the pavement in protest. They made speeches, sang patriotic songs unable to move forward, refusing to



The dead, from left: Henriawan, who collapsed at the flagpole; Elang Mulya Lesmana, who guided students to safety; Heri Hertanto, who was washing away tear gas when shot, and Hafidhin Royan, a newcomer to protests.

great deal of planning. The high degree of skill that went into Trisakti and the sophisticated weapoury indicates only certain units which have that," he said. He added that witnesses have come forward suggesting that Kopassus was behind the attack.

General Prabowo was relieved of his strategic reserve command after Mr. Suharto resigned May 21, but he remains in the army, teaching at a staff college in Bandung, southeast of Jakarta. Five days after the Trisakti shootings, and before his reassignment, General Prabowo visited the home of one of the slain students, Hery Hartanto, As Mr. Hartanto's startled parents looked on, General Prabowo took a copy of the Koran, the Muslim holy book, held it above his head and swore before God that he did not order the Trisakti slavings.

"It was the first time in my life I've ever seen anything like it," said Mr. Hartanto's father, Sjahir Mulyo Utomo, 70, a retired army second lieutenant. After that display, he said, he now believes General

INCE the beginning of the year, Indonesian students had been mounting steadily larger protests, demanding that Mr. Suharto resign. The unrest was touched off by the collapse late last year of the Indonesian currency, the rupiah, which forced a bailout by the International Monetary Fund and induced a severe economic crisis marked by widespread layoffs, soaring prices and the collapse of the banking system.

But the students were not just protesting prices: they were demanding that Indonesia embrace de-mocracy after decades of Mr. Suharto's authoritarianism. Trisakti University, a private institution that attracts students from many leading Indonesian families, had recently become a focal point of the demonstrations; students there were pressing to retreat. They held their ground through a brief but heavy downpour.

Around 4:30, the students began to file back to campus. Two faculty administrators apparently had brokered a deal with the police to end the standoff peacefully. The students would retreat to campus, and the police would move back their line.

Then, at about 5, the police charge began. They fired tear gas, swung their batons at the retreating students and opened fire with rubber bullets. The slow move back to campus became a stampede.

Mr. Henriawan made it as far as the campus gates. The first bullet hit him in the right side of the neck. twisting his body around. The second bullet caught him in the middle of the back. Once on campus, Mr. Henriawan was able to walk as far as the flagpole; a friend saw him sit down on the concrete base and keel over.

Hery Hartanto thought he was already safe because he was back on the university grounds. He had run far and fast, and he and a friend stopped at the foot of the stairs in front of the M Building to catch their breath and wash the tear gas from their faces with a bottle of water when Mr. Hartanto fell forward suddenly. Oh, my God!" he cried. "I've been shot in the

'The friend looked at him and said, "It's not your leg." The bullet had gone straight into Mr. Hartanto's upper back lodging near his heart.

The students realized quickly that some of the

bullets flying into their campus were not rubber, but lethal ammunition. Mr. Elang took responsibility for making sure others got to safety. He climbed to the tile expanse at the top of the M Building steps and shouted to the others to run inside.

'Get in! Get in! As fast as you can!" he was shouting, waving both hands. Then the bullet entered his chest.

Suharto Respected Now Gun Lobb Only by His Pet Parrot

By Seth Mydans New York Times Service

JAKARTA - Only his pet parrot still calls him "Mr. President

Suharto, the man who led Indonesia with an iron hand for 32 years, celebrated his 77th birthday Monday in isolation and disrepute at his leafy home in central Jakarta, the Jakarta Post newspaper reported.

Although Mr. Suharto viewed him-

self as a father to his nation, it appears that his power and respect were based mostly on the fear he was able to instill. Since his resignation 18 days ago, his countrymen seem to have shucked off his memory with little sentiment.

The acolytes who sought his company now shun him as the autocratic political system he created disintegrates in the country's new atmosphere of openness and as the financial empire he built begins to crumble.

Since he quit as president on May 21, few people sincerely want to meet him." the newspaper said, quoting an unidentified official who had worked with Mr. Suharto since the 1970s. "It's because closeness to Mr. Suharto, which often meant rewarding careers or lucrative business deals in the past, has become a headache in this reform

A leading journalist who observed him for years said Mr. Suharto was reaping the harvest of a career based on personal manipulation.

Suharto did not have a lot of friends," the journalist said. "He always tried to buy people. He was a very cynical person.

Unlike Ferdinand Marcos of the Philippines, who remained surrounded by obsequious reminers in his exile in Hawaii after his ouster in 1986, nobody calls Mr. Suharto "Mr. President" any more, the Post reported. His only reminder of past glory is his trained parrot, which screeches, "Good morning, Mr. President, whenever it sees him.

His contingent of presidential security guards will soon be reduced in number, the newspaper said. Even now, the unidentified official said, "as he is no longer president, they do not give him a military salute any more.

And when he ventures out, the official said, "his car has to stop at red lights." But he rarely leaves his home, according to local press reports. A relative said he plays golf and jogs and a newspaper reported that he had been seen visiting a mosque.

Most of the time, the Pos. said, Mr. Subarto sits at home watching television and reading newspapers, a pastime that apparently upsets him. Television is filled with freewheeling political chatter of a style Mr. Suharto would never have brooked and newspapers revel in stories castigating him and his family for accumulating billions of dollars in wealth. The Post said that Mr. Suharto was considering holding a news conference almost unheard-of during his presidency — to set the record straight.

Public clamor has grown for him and his family to turn over their wealth, and student demonstrators are demanding that he be put on trial.

His close friend and successor, President B.J. Habibie, has called for moderation, urging his countrymen to look to the future rather than to the past. But Mr. Habibie himself is under pressure to

hand over power to a new leader because of his close association with the past, and investigations of Me-Habibie's own wealth have also be-

There are also questions about how long Mr. Habibie can keep his grip of power in this newly raucous society where opposition parties are being formed and political demonstrations

being held almost every day.

In the latest outbreak of violence, as many as 10,000 labor demonstrators clashed with the police Monday in Surabaja, the country's second largest city. At least five police officers and three protesters were reportedly hospitalized

Stating his demands in broken English, one demonstrator seemed to sum up the national mood: "Money, money, money," he said. "No work. No Habibie."

U.S. Envoy Resists Order by Belarus To Vacate Home

The Associated Press

MINSK. Belarus — Belarussian authorities ordered diplomats from 22 countries to vacate their homes for repairs and tried Monday to weld shut a gate to the American residence, Ambassador Daniel Speckhard of the United States said."

The government served notice in April that it wanted to overhaul water and sewage pipes in the post-World War II-era complex on the outskirts of Minsk, the Belarussian capital, Mr. Speckhard said at a news conference.

Mr. Speckhard took reporters to the ambassador's residence in the diplomatic complex at Drozdy and arrived to find two workers and a policeman trying to weld shut the side gate. A small American flag was lying on the ground. The workers left when Mr. Speckhard protested.

The ambassador said the government received a diplomatic note from the Foreign Affairs Ministry that it planned to start the repairs Wednesday, the day his parents are scheduled to arrive for a visit. The note said the repairs could not begin until the residences were empty.

The ambassador said the United

States has occupied the residence since 1992, the year after Belarus gained independence with the collapse of the Soviet Union, and has since spent \$800,000 on repairs.

Under international law, ambassador's residences are considered foreign territory, and governments have no right to enter them without permission or insist that diplomats leave against their will.

Mr. Speckhard appealed to the president of Belarus, Alexander Lukashenko, to rescind the order.

The Belarussian Foreign Ministry told the Interfax news agency it proposed that diplomats move either to new buildings in central Minsk or begin building new accommodations near Minsk.

Asla

TRAVEL UPDATE

World Cup Parade to Block Traffic

PARIS (IHT) — Much of central Paris, from Opera to Invalides, has been declared off-limits to private traffic Tuesday to facilitate preparations for the carnival parade that will kick off the World Cup later in the day.

The police also warned drivers to avoid St. Denis, where the opening match of the tournament between Brazil and Scotland will take place Wednesday. The stadium is just off the AI highway between Paris and Charles de Gaulle Airport. The police said traffic in western Paris would be intense during police said traffic in western Paris would be intense during games played at the Parc des Princes stadium.

Seoul Subway Union Calls for Strike

SEOUL (AP) - Seoul's subway union threatened Monday to send its 9,000 members out on strike this week to press for pay increases and better working conditions. The union said the indefinite strike would begin Wed-

nesday unless management accepted its demands for a 7.8 percent pay hike and a reduction in working hours.

About 275,000 people attended the unofficial inauguration of Europe's longest suspension bridge over part of the Great Belt waterway between west-

Funen Islands.

Tough new traffic laws

have lowered the number of

highway accidents and fatal-

ities in Portugal, but it still

has the worst road death re-

cord in the European Union,

Prime Minister Antonio Gu-terres said Monday. (AP)

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17-82 10-53 r 13-95 303 r 17-82 10-53 r 17-82 10-53 r 13-95 303 r 17-82 10-53 r 13-95 11-9 ern and eastern Denmark, Ritzau press agency reported. On June 14, Queen Margrethe will officially inaugurate the 18-kilometer (11-mile) link Middle East between the Zealand and (Reuters)

43/109 28/82 9 25/77 20/68 6 34/63 20/68 5 29/84 12/53 9 25/77 11/52 5 41/108 18/84 8 43/109 28/82 5

WEATHER Forecast for Wednesday through Finday, as provided by AccuWeather, North America Ецгоре

North America

Dry and cool in northern
New England Wednesday and cool with showNew England Wednesday to Finday, but
to Friday, but southern
New England to Virginia
warmer with sunshine by
will be cool with showers
to Friday. Mostly sunny, dry
tor some rain each day.
Custe cool with showers and very warm in Moscow.
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Custe cool with showers and wary warm in Moscow.
Norway and Swaden, while
scattered showers with
scattered showers with
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Thunderstorms will roam
the Southern Plains.

Asia

Not over most of India

Asia

Wednesday to Finday, but
of Guigaral, while the south
of Soaking rain is tikely in and moscoon rein. Central
and southern Japan.
Including Tokyo, will have
soaking rain. Warm in Beling, but it may thunderstorm Thursday.

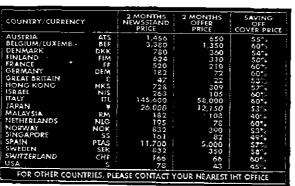
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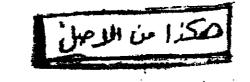
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THE AMERICAS

Gun Lobby Adds Some Firepower

National Rifle Association Elects Charlton Heston as Leader

By Michael Janofsky New York Times Service

PHILADELPHIA - Weary of being seen as an extremist, right-wing organization that is out of touch with mainstream America, the National Rifle Association is going on the offensive.

From the election of Charlton Heston as its next president on Monday, to a slick new advertising campaign starting later this month, the country's largest gun-owners' organization, with 2.8 million members, contended at its annual convention this weekend that lazy prosecutors, lenient judges, gratuitous tele-vision violence and irresponsible par-

The group also began promoting the notion that gun owners are ordinary, hard-working Americans, like the mem-bers of the Ryker family of Springfield, Oregon, whom Mr. Heston hailed at a banquet as "American heroes." Jacob Ryker, 17, is a high school wrestler who on May 21, tackled a teenage gunman who killed two students and injured 23, including Mr. Ryker, at Thurston High

School in Springfield. While these are not new concepts for an organization that supports tighter en-forcement of criminal law rather than further restrictions on gun ownership as

ufacturers liable for the costs of gun

violence — and the price tag is \$58

million a year, for everything from

police expenses to victims' support to cleaning blood off the streets.

Mr. Rendell, a Democrat consid-

down on people who buy guns in bulk

and then resell them to the criminals.

The meeting Monday brought to-

gether top executives from Smith &

Wesson, Glock Inc. and O.F. Moss-

berg, representatives from the Na-

tional Conference of Mayors, and the

American Shooting Sports Council, a manufacturers' trade group. Both the American Shooting Sports Council and the National Rifle

Association oppose new gun controls

ents cause more problems in America a way to reduce crime, the sales pitch is changing. And with a celebrity like Mr. Heston, who was the group's first vice president, leading the organization, officials say they have their best opportunity in years to get a fair hearing from the public.

"The great thing about Charlton Heston is that he becomes the megaphone to get our message out, a message that is not being heard right now," Wayne LaPierre, Jr., the group's executive vice president, said in an interview Sunday.

"We have been victims of image manipulation," he added, referring to the press. "It has been a long and slow process, but it has become more bitter and demonic in recent years. It's wrong, and it's inaccurate and that sticks in the and it's inaccurate, and that sticks in the craw of our members more than any other

single point. It outrages Charlton."

The three-day convention has played out against a backdrop of protests by gun-control advocates in Philadelphia, where handguns have been used in most of the city's homicides, and written pleas to Mr. Heston on Friday from guncontrol advocates like Senator Robert Torricelli, Democrat of New Jersey, who asked for the group's support for new measures to protect children from

The rifle association has always argued that gun-control legislation is not the way to combat gun violence, and now the challenge of persuasion falls to Mr. Heston, 73, whose measured, deep voice served him so well in such movies as "The Ten Commandments" and

In that same booming voice, Mr. Heston said at the banquet that the Rykers were dedicated to "tools that always worked, like courage, duty, courtesy, teamwork, compassion and common sense." Praising Jacob and his 14-year-old brother, Josh, he said, "I'll bet that growing up, those boys felt a growing sense of community, a community called America that stretched from coast

to coast, from sea to shining sea.'



Ashley Higgins, 2, checking out the firearms with her family at the NRA convention in Philadelphia. Her father, Ed, is a member of the organization.

Robert and Linda, standing close by, he said softly in closing, "Our country— and our NRA— is proud to claim the crowd, saying, "You are the main-stream of America, and anyone who portrays you as something other than

The audience of 1,600 could not get to their feet to applaud fast enough. But as the ritle association embarks on its latest efforts at spin — even trying to use a school shooting to its advantage — officials are banking on more than Mr. Heston's celebrity and passion to alance the scales of public opinion.

As the keynote speaker who preceded him, Senator Trent Lott, Republican of Mississippi and the majority leader, offered the audience both a psychological and political boost, saying he was "tired of being on the defensive" With the boys and their parents, about the right to own a gun. He assured

that shows how far out of the mainstream they are.

Mr. Lott struck other chords by vowing to oppose any efforts to tighten guncontrol laws and advocating more gun ownership as a way to reduce violent crime. He proposed using police sta-tions as "self-defense centers" to teach the proper use of guns and campus Reserve Officer Training Corps programs to educate students about gun use.

"Everyone is scared except the criminals," Mr. Lott said. "The way to change that is give the criminals something to be afraid of. That something is a well-armed public.

POLITICAL NOTES

Republicans' Hold On House at Risk

WASHINGTON - Midway through the 1998 campaign, the Republican Party's 11-seat hold on the House of Representatives may be in jeopardy, giving Democrats the opportunity to regain some of the ground they lost in 1994, an examination of polling data, fundraising and voting treats in competitive districts indicates.

But analysts in both parties suggest that Democrats will need ev-erything to break their way if they are to retake the House. Barring any dramatic upheaval or national tide in one direction or the other, the most likely scenario is a virtual deadlock in the chamber.

Simply holding their own this year would be a historic feat for the

Democrats. Only once since the Civil War has the president's party picked up congressional seats in a midtern election. But Democrats see their prospects enhanced by President Bill Clinton's high popularity ratings, a dearth of legislative activity by the Republican majority and a series of rifts in the party.

Republican leaders say their bulging bank accounts, popular governors and traditional turnout ad-

vantage will keep them in power. "It's going to be a very close election," said Ralph Reed, a Republican consultant. "The best case for Republicans is they win 10 seats, worst case we lose the House. We'll probably hold it by plus or minus five seats." (WP)

Clergy Lobbies Clinton on China

WASHINGTON - From Tibetan Buddhists to Roman Catholics to evangelical Christians, a broad array of religious leaders is urging President Bill Clinton to use his summit meeting in Beijing this month to press the Chinese government to end the repression of religious believers there.

Religious persecution abroad has increasingly become a major cause of concern among members of the U.S. clergy, many of whom say that China is one of the most consistent violators of religious freedom.

Now rights advocates long concerned about the Chinese occupation of Tibet have joined forces with Christian clergy pushing for more freedom for Chinese churchgoers.

More than 200 U.S. religious leaders have signed a letter to the president asking him to put pres-sure on the Chinese government to release all religious prisoners, to rescind decrees forcing Christian churches to register with the government and to open nego about the future of Tibet with the Dalai Lama.

"This summit," the religious leaders wrote, "will certainly have great benefits for future economic and trade relations between the United States and China. As important as these issues are, however, human rights, and religious liberty in particular, must not be ignored." (NYT)

Quote/Unquote

Jack Quinn, former White House counsel, on allegations that the Clinton administration is delaying the Starr investigation and a report to Congress on possible impeachment: 'I would like, frankly, as a political matter, nothing better than to see this in the House of Representatives. right now. I think if it were, the Republican control of the House would be in jeopardy."

a showdown with the leaders of the Gun manufacturers and defenders gun industry. First, he threatened a lawsuit to hold scoff at the idea. So far, the city has not yet pulled the trigger on the lawsuit. All sides say they want to avoid a

Philadelphia Primes for Fight

Tired of Blood on the Streets, Mayor Targets Arms Industry

gun manufacturers liable for the blood on the streets. Then he took a train to court battle. Washington and, his voice dropping ering a run for state governor, has appointed an official to deal with gun low and husky, let Smith & Wesson, Glock and Berretta know just what their guns do "to the heart and soul and policy. State lawmakers want to crack

The Associated Press

400 gun deaths each year in his city's

ragged inner-city neighborhoods. Mayor Ed Rendell girded himself for

PHILADELPHIA — Weary of the

very fabric of a great American city." One way or another in Philadelphia," he told a gathering of gun industry executives in April. "we will do anything, we will try anything to

reduce the carnage. Big-city mayors and gun makers met Monday to discuss urban gun violence — and try to avert a law-

Mr. Rendell's lawyers have spent months drafting the lawsuit, taking a page from anti-tobacco crusaders. and say the police and prosecutors Courts, they say, should hold manneed to better enforce existing laws.

WASHINGTON — The office of the

independent counsel argued Monday

before the Supreme Court that the law-

yer for Vincent Foster should be ordered

to turn over confidential notes of con-

versations with his client, who subsequently committed suicide, and even

to respond to questions about what he

learned in conversations with him:

Mr. Foster, a White House deputy counsel and close friend of President

Bill Clinton and his family, committed

James Hamilton, who represented

"People do care about their repu-

tations and family and friends," he told

the justices in arguing that the attorney-

client privilege must extend beyond

that people who go to lawyers should be

assured secrecy so they can confide

fully and obtain the best advice, against

prosecutors' claims that they need ac-

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cess to information to get at the truth.

The case pits two competing ideals:

Mr. Foster until his death, said any

decision forcing him to turn over the notes "would have a strong chilling

suicide in July 1993.

effect in client candor.

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Lawyer Sees 'Chilling Effect' of Starr's Quest for His Notes An appeals court has already ruled that Mr. Hamilton should be forced to turn over the notes, saying the notes' "relative importance" to the criminal

> But Brett Kavanaugh, an associate of the independent counsel, Kenneth Starr, asked the justices to go even further and conclude that the attorney-client privilege should not extend beyond a cli-

> investigation into the 1993 White House

travel office firings outweighed the

At one point, Justice Ruth Bader Ginsburg asked the prosecutor whether yond the notes to actually questioning Mr. Hamilton about what he had learned from his client. "Absolutely," Mr.

Kavanaugh replied. Nine days before his death, Mr. Foster spoke confidentially to Mr. Hamilton about the White House travel office dismissals in which Mr. Foster, a former law partner of Hillary Rodham Clinton, played a role.

The three pages of notes that Mr. Hamilton took during that conversation with Mr. Foster are the focus of the Mr. Foster spoke with Mr. Hamilton for two hours on July 11, 1993. He asked Mr. Hamilton if the conversation was

privileged and was assured that it was. Mr. Foster was found dead of a single gunshot wound to the head on July 20, 993. Three investigations concluded

that he committed suicide. (AP, WP) Reuters reported from Washington.

The unanimous decision was a setback Ruling on Air Crashes at Sea

The Supreme Court ruled Monday that airlines may not be forced to pay damages for the pain and suffering of 1983, after it strayed into Soviet airs passengers who die in crashes at sea. All 269 people aboard were killed.

for relatives of five victims who were killed when the Soviet Union shot down Korean Air Lines Flight 007 on Sept. 1, 1983, after it strayed into Soviet airspace.

Colombia Joins Assault on Rights Groups

By Diana Jean Schemo

BOGOTA — The score of soldiers and military officers who stormed a human rights organization here recently holding guns to the heads of workers, forcing them to their knees and filming them - said they had no shortage of reasons for the assault.

The troops said the organization, the Intercongregational Committee for Justice and Peace, a Jesuit group, was a front for Communist guerrillas, harbored explosives and weapons and had a vague involvement in the killing of a

former defense minister.

committee said, was revealed by the soldiers, who went straight to the offices upstairs where researchers have been detailing 40,000 cases of torture, forced disappearances and killings in the 30year-long civil war here.

For 15 minutes the soldiers videotaped screen after screen of testimony on the computers, eventually locking out the researchers.

Workers at the committee said the soldier told them, "We came for this, and we're not going to leave without it."

The testimony is part of a project that the group was preparing, called Nunca Mas, or Never Again. It was conceived much like a report from Guatemala with that name that chronicled statesponsored brutality and ended with the killing of a bishop, 75, the day after he issued his four-volume report. The raid on the committee appears to

be part of a wave of assaults on the chroniclers of human rights abuses in Latin America.

Another occurred in April at the office of the Mothers of the Plaza del

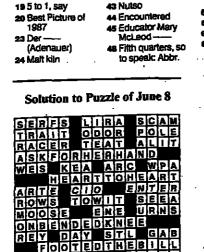
ormer defense minister. Mayo in Buenos Aires, a repository for the real reason for the raid, the records of 30,000 cases of torture and forced disappearances in the seven years of military dictatorship in Argentina.

In Bogota, a human rights lawyer who spent 12 years investigating the military's actions in the guerrilla siege of the Justice Palace in 1985 was killed in April in his apartment. The lawyer, Eduardo Umana, had said that he had proof that the military executed 50 rebels after having interrogated and tortured them.

Although the cases in Argentina and Guatemala appear to have involved atrocities in wars that have ended, the war in Colombia rages on. Last year the United States agreed to renew material aid to the Colombian Army, provided that any unit that received aid divulge accusations of human rights abuses against its members and demonstrate that steps were being taken to hold the members accountable.

"What's very clear is they want to destroy this work," said the Reverend Javier Giraldo, 59, president of the Committee for Justice and Peace.

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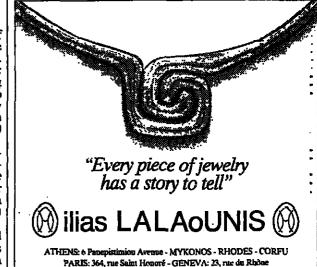
or representative.

Away From Politics

 Roche Laboratories has pulled its heart drug Posicor off the market because it can be dangerous when taken with more than 25 other medications, from antihistamines to antibiotics. Patients taking Posicor for high blood pressure or chronic angina should not just stop taking the pills, the Food and Drug Administration warned. Instead, the regulator urged patients to promptly call their doctors about getting an alternative therapy—and until they get a new treatment, they should not begin taking any additional drug without a doctor's approval. (AP)

· Authorities called off a massive manhunt for two Colorado survivalists suspected of killing a police officer, conceding that the search may have been misdirected from the start. Officials acknowledged that the two men may never have entered the red rock country of southeastern Utah after a violent confrontation in Cortez, Colorado.

• Rain has brought some relief to northeastern and central Florida, where raging brush fires destroyed scores of homes and forced mass evacuations over the weekend. Elsewhere in the state, firefighters waited to see if high winds and hot, dry weather would reignite blazes. (Reuters)



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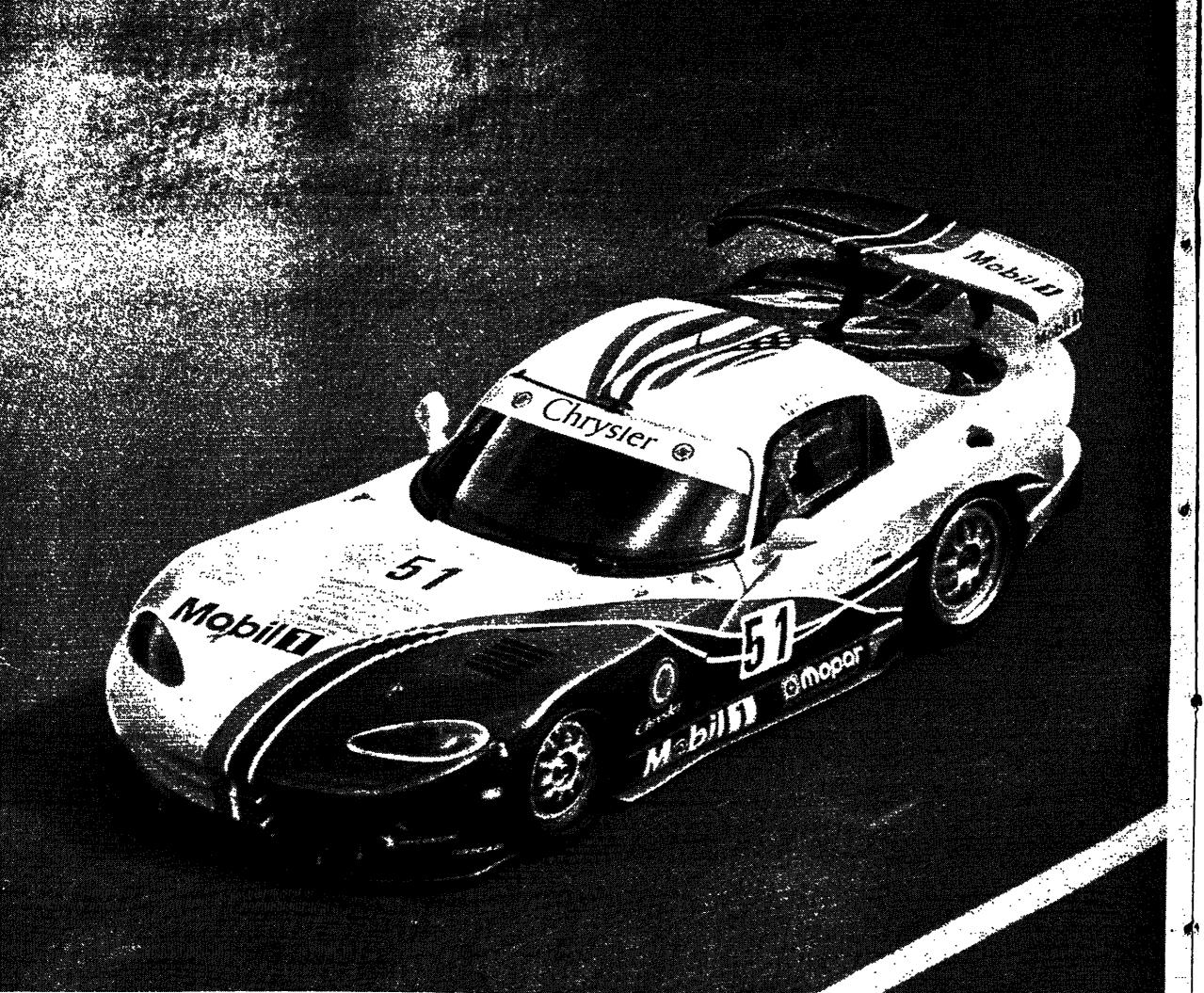
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The Chrysler Viper GTS-R. Winner of the GT2 Class at the 24 Hours of Le Mans on June 6 and 7, 1998. Rock and indeed, Roll.



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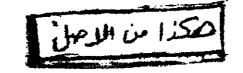
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EUROPE



. Ulster Parties Start **Election Campaign**

Sinn Fein to Enter Candidates for Assembly

By James F. Clarity

BELFAST — The campaign for seats in the new Northern Ireland Assembly began in earnest Monday as Sinn Fein, political wing of the Irish Republican Army, abandoned its traditional policy and announced formally that it would field candidates even though the new body is almost certain to have a Protestant unionist majority.

Sinn Fein, a predominantly Roman Catholic party, had maintained until two months ago that it would never participate in the new Assembly. The body is one of the key governmental units being set up under the Northern Ireland peace agreement that was approved by arge margins in referendums May 22 both here in this predominantly Protestant British province and in the Irish Republic to the south.

The new 108-member Assembly, to be elected June 25, is to return the province to self-government and to set up a body in which the North and the Irish Republic will cooperate.

The peace agreement, aimed to prevent the return of sectarian violence, is designed to change the structure of Northern Ireland politics, giving minority Catholics a fairer share of power and the overwhelmingly Catholic Irish Republic more influence in Northern af-

The Sinn Fein leader, Gerry Adams, began his campaign Monday by warning that the entire peace effort could be disrupted by contentious, sometimes violent, Protestant patriotic parades this month and in July.

The largest Protestant group, the Ul-ster Unionist Party, also began its election campaign Monday. The party lead-er, David Trimble, alluding to one of the first tough issues the Assembly will face, said it would be several months after the election before the Assembly would form a government. One of the first issues with which the

Assembly will wrestle is whether Mr. Adams will be made a minister. The prospect pleases most Catholics and angers many Protestants, who still see Mr. Adams as the mouthpiece for the IRA. In its campaign, Sinn Fein will be competing for the Catholic vote with the

Social Democratic and Labour Party of

BRIEFLY

Croat Goes on Trial

THE HAGUE — A Bosnian Croat commander who allegedly stood by while a subordinate raped a Muslim woman went on trial before the UN war crimes tribunal Monday.
The indictment charges that, as local

commander of a Bosnian Croat paramilitary unit known as "The lokers," Anto Furundzija, 29, failed to intervene when a subordinate assaulted and raped a prisoner he was interrogating.

He was arrested by Dutch troops of the allied peacekeeping force last December. The indictment is one of several arising from the "ethnic cleansing" of Muslims in Bosnia in

Right Gains in Italy

ROME - Candidates backed by Italy's center-right opposition won most regional runoff elections, final results showed Monday. It was a further blow to the center-left, which

The center-right, led by Silvio Ber-lusconi, the media magnate and former prime minister, took 10 of the 16 mayoralties in the provincial capitals where a second round was required.

Center-left parties, which form



Anto Furundzija, accused of war crimes, in court Monday in The Hague.

Prime Minister Romano Prodi's governing coalition, won five.

A new moderate movement created former President Francesco Cossiga put a mayor in office in Oristano, Sardinia.

Even the traditional leftist strongholds of Parma, Piacenza and Lucca, wealthy towns in central Italy, succumbed to the center-right. Some 3.5 million Italians were eli-

gible to vote Sunday.

Carpentras and the northern city of Roubaix, the police said. (AP) Anger at Slovakia

four other countries.

VIENNA - Austria reacted angrily Monday to Slovakia's decision to start up the first reactor at its controversial-Mochovce nuclear power plant.

French Arrest 9 More

PARIS - French authorities arrested nine more suspects Monday in a Europe-wide effort to thwart a possible. terrorist attack during the World Cup-soccer matches, and they urged the public to watch out for bombs.

The suspects are considered close to

aides of Hassan Hattab, a leader of the

Armed Islamic Group in Algeria, who allegedly has ordered an attack during

the games that begin Wednesday, au-

thorities said. In all, about 100 suspects

have been rounded up in France and

Seven of the new suspects were ar-rested in the Paris area. The others

were seized in the southern city of

"I would regard this not only as an unfriendly act by Slovakia but also as highly irresponsible," Chancellor Viktor Klima told reporters.

Austria charges that the nuclear plant is potentially unsafe. (Reuters)

> AKMOLA AMSTERDAM BARCELONA

Hereditary Seats In Lords to End

part of a wholesale reform of country. the upper chamber of Parlia-

ment, the government an-

nounced Monday. But the Labour government failed to set out its vision for the final shape of the house, or a timerable for the

The leader of the Lords, Lord Richard, told a London conference on the issue that while the composition of a reformed Lords was still undecided, the end of inherited positions was a certainty.

Lord Richard said that the composition of the Lords was that they are not opposed to

there really should be no reserved seats booked generations ago for a privileged Mr. Hague said: "The govtions ago for a privileged

The removal of the 750 hereditary peers, a key com- of Lords. They don't know mitment at Labour's election what they actually want to do just over a year ago, would to the House of Lords, so now leave a House of Lords of just they are falling back on their under 500 life peers, appoin- contingency plan, which is to ted by successive govern- say let's just get rid of the ments usually in return for hereditary peers and leave it political services, plus 26 as a huge quango," or ap-Church of England bishops and Law Lords.

Lord Richard said that after erate as an interim chamber

Kohl Backs Spokesman

After East German Flap

BONN - Chancellor Helmut Kohl stuck by his con-

In office less than two weeks, the spokesman, Otto Hauser,

proversial spokesman Monday, even as the new appointee

came under fire after warning East Germans in a newspaper

interview Wednesday that by continuing to vote for former Communists they would be "overstraining the solidarity of the West Germans." Coming just three months before a

federal election, his words were interpreted as implying that

continued financial support for rebuilding Eastern Germany

coalition criticized the comments as inappropriate. Mr. Hauser, a conservative member of Parliament and former journalist, said he was expressing an opinion and not government policy — a position that Mr. Kohl has backed. But in a television interview

Sunday, Mr. Hauser said he regretted the misunderstanding and would "concentrate on presenting government policies."
On Monday, Mr. Kohl reiterated that he was "in complete

Opposition politicians and members of Mr. Kohl's governing

promised to watch his words more carefully.

depended on how East Germans voted.

agreement" with Mr. Hauser's remarks.

while the government re-LONDON - Hereditary viewed the way life peers seats in Britain's House of were appointed to make them Lords are to be abolished as more representative of the

John Hume.

He warned the opposition Conservatives, whose supporters outnumber other parties by three to one in the Lords, that it would be a "constitutional outrage" if they tried to use their "army of hereditary peers" to block the reforms.

The Conservative leader, William Hague, said at the weekend that his party would fight the government's plans when legislation was introduced in the next Parliament.

The Tories have insisted 'unjustified and anachronist- getting rid of the voting rights of hereditary peers, some of whose families have held "It produces gross polit- whose families have held ical imbalance," he added their titles for 600 years, but "In a modern Parliament, say they want to see Labour's "say they want to see Labour's full proposals before allow-

> ernment won't say what they want to ha pointive organization.

Lord Richard rejected suggestions that the government the abolition of hereditary was removing the hereditary seats, the Lords would oppears in an "act of political



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Due to an unforeseen problem in yesterday's print run, the Chrysler ad incomplete. The ad on the facing page, celebrating Chrysler's victory in GT2, is the announcement as it should have appeared. With our apologies

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A WALK IN THE WOODS Rediscovering America on the Appalachian Trail

By Bill Bryson, 276 pages, \$25, Broadway. Reviewed by Bill Gifford

TN college I lived about a block from the Appalachian Trail, which was not only a great place to take a hike but the stage for a little-known social phenom-enon. Every summer, the "throughhikers" — obsessive souls who'd decided to walk the entire thing, from Georgia to Maine or vice versa would come tottering into town, singly or in pairs, lean and dirty and glassy-eyed, staggering the last few feet to Lou's Diner and its drippy cheesebur-gers. They were a hell of a sight. Living in the same New Hampshire town, observing the same ragged souls, Bill Bryson had the following thought: Why don't I do that, too? The result is this terribly misguided, terribly funny tale of adventure.

Well, adventure isn't quite right. Epic foolishness, maybe, interspersed with the history and geology of this unique American landmark, plus everything you'd want to know about bear attacks. From Springer Mountain, Georgia, to Mount Katahdin, in Maine, the trail covers a distance of more than 2,100 miles (that the exact distance is not

By Robert Byrne

A T the quick-play rate of 25 minutes per game for each player, one has to

expect more errors than at the regular

tournament pace of 2 hours each for 40

moves. But in the four-game exhibition

match in Sofia, Bulgaria, between Garry

Kasparov and Veselin Topalov, the top Bulgarian grandmaster, blunders fell

Remarkably, in this contest, which took place in the National Palace of

Culture on May 2 and 3, Kasparov won

every game; he proved to be the quick-

est to get back on his feet after a gaffe

and more given to successful exploi-

tation of his opponent's mistakes. He

won \$45,000 as against Topalov's

Topalov fought a similar match to a tie

at 3-3 (six games were played then) against Anatoli Karpov. But Kasparov

was determined not to let Topalov

achieve such a fine result this time. One

may entertain a hunch that part of

Kasparov's ambition may have been to

drift into a lackluster position and Kas-

parov sound the charge. But when it was

time to force the victory, Kasparov faltered. When Topalov went

astray three moves later, however, Kas-

Queen's Gambit Declined, 6. ...b6, pro-

duces a reliable defense with a fianch-

etto of the queen bishop, 10...Bb7, and a

promising expansion in the center with

11...c5. It has long been a favorite of

KASPAROV/BLACK

Karpov, a sure sign of its soundness.

The Tartakover Variation of the

parov gave him no second chance.

Game I of the series saw Topalov

denigrate his archenemy Karpov.

Two years ago, in Varna, Bulgaria.

haphazardly thick and fast.

\$25,000.

known is one of the book's many interesting tidbits). Bryson compares it to "an endless cocktail party of trees." Of the hundreds of hikers who start every year in Georgia in the spring, most drop out before they reach Virginia.

BOOKS

barely a third of the way to Maine. Enter Bryson, who has been making a career out of crossing the Atlantic. He's written books about leaving America for England ("Lost Continent"), about leaving England for America ("Notes From a Small Island"), about what English and Americans have done to the English language ("The Mother Tongue"), and, now, about arriving in America from England. But he still writes with a British accent, using "knickers" instead of underwear and spelling "favorite" with a u. He has particular difficulties, culturally speaking, with the Deep South. He cracks a couple too many hillbilly/"Deliverance" jokes; and once, stuck in Tennessee, he tells an unhelpful cab dispatcher. 'You are

more stupid than a paramecium!"
They're probably still laughing at that down in Gatlinburg.
It would be hard to imagine two candidates less likely to succeed than Bryson and his companion, Stephen Katz, an old friend from Iowa. Their previous trip together, a postgraduate sojourn in Europe two decades earlier.

QUEEN'S GAMBIT DECLINED

Nf6

e6 Be7 h6 0-0 b6 Nbd7

ed Bb7 c5 a6 bc

e4, d4. c4 and b4 squares.

White Topalov

19 Bh4

20 Nel

21 Bg3 22 Nf3

23 Bh4

24 ed 25 Na4

27 Bf6

28 Bd3

29 gf 30 Bh4 31 Rc3

When White exchanges with 9 cd ed and 13 dc bc, he gives Black the constellation called hanging pawns, so named because neither the d5 nor the c5

pawn can be anchored by another pawn.

Black's compensation is control of the

desirable for Black to play 15...Qb3 16 ab, because the mobility of the c5 pawn

is diminished and it becomes vulnerable

In Game 31 of the 1984 world cham-

pionship match, Karpov played 17 Ne1, but after Kasparov's daring 17...d4!?, a

series of skirmishes brought about a

In the period from 18 Qd1 to 22 Nf3,

After Kasparov deployed his forces

Topalov could not come up with a plan

against Kasparov's defense and

center with 23...d4! and following 24 ed

against the white king.
Topalov's 26 Nc5? should have been

the decisive error. He might have played

26 Bf6 Bf6 27 Nc5, although Kasparov

would have kept the advantage by

But after 27 Bf6, Kasparov pointed

out that he could have won with 27...gf!

28 Rc5 Re2! 29 Re2 Bf3 30 gf Qf3! 31

Re8 Re8 32 Of3 Re1mate, Instead, he

blundered with 27...d3?, and after 28

Bd3 Bf3 29 gf Rd5, Topalov could have

But Topalov blundered in turn with

30 Bh4? and succumbed to 30...Bb4 31

Rc3 Bc3 32 bc Red8, when 33 Bd8 Qd8,

threatening 34...Qg5, followed by mate, as well as 34...Rd3, wins outright.

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escaped with 30 Rc4!

27...Ne2 28 Re2 Re2 29 Qe2 Bd5.

wandered about aimlessly.

to an attack by Na4, Ne1 and Nd3.

After 15 Qb3, it would not have been

33 Resigns

Qa8 Be7 Nf8 Ne6 d4

CHESS

2 d4 3 c4 4 Nc3 5 Bg5 6 Bh4 7 e3 8 Be2

12 Qa4

13 dc 14 Rfd1

15 Qb3 16 Bg3 17 Rd2

ended in mutual despisement and unpaid debt. "After our summer in Europe," Bryson writes, "Katz had gone back to Des Moines and had become, in effect, Iowa's drug culture." Katz was the only friend who accepted Bryson's mass-mailed invitation to join

him on the trail. From the title alone, the book sounds duller than a Sierra Club slide show. Thank God, then, for Katz, who arrives at Bryson's house flabby and panting, with a duffel bag full of Snickers - a food that is unsurpassed, we've just learned, in its power to attract bears. The two men have little in common except that they are both hopelessly out of shape, Katz even more than Bryson (although their fat reserves come in

handy on the trail). One gets the sneaking suspicion that the author sensed Katz would make great copy, and, indeed, wondering when Katz would suffer his inevitable fatal heart attack kept me reading. That he doesn't is a pleasant surprise, for the reader as well as for Bryson, who gets to continue making merciless fun of his fat friend. Katz gives as good as he gets, though, mocking Bryson's mid-Atlantic accent and silly Anglicisms, and the author eventually backs off the fat

In the end, considerable male bonding takes place. They encounter many a lively character, such as the guy called "Chicken John," who manages to get lost all the time, even though the trail is wide and clearly marked. They become, for a time, part of the moving granola feast that is life on the AT. But of course. they don't make it to Maine. Not even close. They start skipping bits of trail in Tennessee, and well before Front Royal, Virginia, the end of their planned first segment, they know they'll never hike

the whole thing. "In a way it was a liberation,"
Bryson writes. "If we couldn't walk the whole trail, we also didn't have to, which was a novel thought that grew more attractive the more we considered it." (Aspiring Everest climbers, take note.) Failure can be more entertaining than success. But then Bryson's wife picks them up in Virginia, Katz goes home to Iowa and, like many a would-be through-hiker, the book begins to run out of steam. Bryson drives back to Pennsylvania, explores some weird coal-country towns and halfheartedly hikes a few sections of trail, but he suffers from Katz withdrawal. "I hadn't just lost Katz, my boon companion," he moans, "but my whole sense of connectedness to the trail."

Thank heaven, then, for Katz's return. Later that summer, they set out to hike the Hundred-Mile wilderness, a section of trail through remotest Maine, a 10-day slog without a single road, much less a cheeseburger joint. They think they're up to it, having covered several hundred miles of the trail down south, but, as usual, they're very entertainingly wrong. After a couple days of wading across rushing rivers with their packs held above their heads (a technique it takes them a few crossings to master), and after some more heavyduty male bonding, they give up. They didn't need to hike the whole thing.

to the maximum, he broke through in the They got the general idea. Bryson captures the primal creepcd 25 Na4 Nf4, he had a powerful attack iness of the American forest, its sharp contrast with the groomed landscapes of most suburban lives. He marvels at the weird obsessiveness of Americanus outdoorsius. "I knew with a sinking heart," he writes, when a fellow-hiker sidles up to him, "that we were going to talk equipment." He hates talking

equipment. The Park Service and the Forest Service get a good thumping, too, but for the most part, page after page, the yarn is choke-on-your-coffee funny. The next time I'm marooned at an endless cocktail party of trees, I'll have plenty to talk

Bill Gifford, a senior writer at Philadelphia magazine, wrote this for The

BRIEFLY

Japan's \$1 Billion For Korea Reactor

TOKYO — Japan said Monday it would contribute about \$1 billion to a U.S.-led international consortium building two light-water nuclear reactors in North Korea.

"Although our fiscal condition is severe, Japan is trying to con-tribute somewhere along the lines of \$1 billion," Foreign Minister Keizo Obuchi told Parliament

South Korea and Japan have agreed to pay the bulk of the cost for the light water reactors, most re-cently estimated at \$4.5 billion.

After a sharp dispute with the United States, North Korea in 1994 accepted a U.S. initiative calling for Pyongyang to scrap its graphitebased nuclear power plants in favor of light-water reactors, which are less suitable for making weaponsgrade plutonium. (Reuters)

Heat Wave in India Claims More Lives

NEW DELHI -- The worst heat wave in India in 50 years has claimed more than 2,500 victims in the last month - nearly half of them in the impoverished eastern state of Orissa.

Ninety-seven people died Sunday in the worst-affected coastal regions of Orissa, where daytime temperatures rose to 47 degrees centigrade (116 degrees Fahrenheit), the Press Trust of India news agency reported Monday. A total of 1,131 people have died in Orissa state from the scorching heat since May 12.

The southern state of Andhra Pradesh has reported 943 deaths, and nearly 500 people have died elsewhere, mainly in the northern states of Uttar Pradesh and Bihar, the news agency said.

Hanoi to Increase Marxist Training

HANOI — Vietnam's ruling Communist Party has ordered an increase in ideological education in schools and universities across the country.

"The teaching of Marxist-Len-inism and Ho Chi Minh ideology has not received due attention and has even shrunk in some places." said an order from the Politburo published Monday in the Communist Party newspaper, Nhan Dan.

The directive also called for stronger efforts to expand party membership among teachers and college students in Vietnam, one of the world's few remaining Communist-ruled countries. (Reuters)

Editor Who Backs Hun Sen Is Shot

PHNOM PENH — The publisher-editor of Cambodia's most widely read newspaper - which supports the Cambodian leader Hun Sen — was shot by an unidentified gunman Monday.

At least two of six bullets fired struck Thong Uy Pang, 55, in the shoulder while he was standing outside a pagoda, his wife and the police said. His bodyguards returned fire. One was hit and so was the gunman, who fled, witnesses said. Mr. Thong Uy Phang was undergoing surgery.

ASIA: Weak Yen Rattles Regional Markets

Continued from Page I

and possible defaults to foreign cred-

ASIA/PACIFIC

The fear is that if the yen keeps going down it could trigger another round of Asian devaluations," said Richard Jerram, chief economist at ING Barings in Tokyo. And if the yuan goes, that is "seen as being very bad news."

The Bank for International Settlements warned Monday that the worst of Asia's troubles are to come. "The full impact on domestic companies and the institutions that have lent to them remains to be seen, as do the full social

The heads of foreign exchange at some of the world's largest banks, meeting Monday in Geneva, said they feared that the yuan may be devalued in the coming

months, Bloomberg News reported.
"For mainland China it's lose-lose," said Jonathan Ross, head of research at ABN-AMRO Holding NV in Taipei. "If they don't devalue, then the economy's going to endure substantial pain for the foreseeable future. If they do

devalue, it will prolong the crisis."

Chinese officials have said repeatedly that there will be no devaluation in the near future.

In Tokyo trading Monday, the dollar rose to its highest level against the yen since 1991, hitting 140.79 yen before finishing at 140.60, compared with 138.90 on Friday.

The dollar also rose significantly against the Taiwan dollar, the Australian dollar, the Malaysian ringgit and the Philippine peso.
In Seoul, where exporting companies

face fierce competition from Japanese counterparts, the South Korean won ended the day down slightly, with the dollar rising to 1,399 won from 1,394.

Most Asian stock markets fell, with
the benchmark index in Singapore fin-

ishing down 3.4 percent, at 1,128.57.
"The yen crossing the 140 mark causes anxiety here," said Hank Morris, an analyst with Industrial Research and

Consulting Ltd. in Seoul. "When the yen moves, the won has to follow.

The yen weakened after Deputy Finance Minister Koji Tanami of Japan said foreign exchange would not be a main topic of discussion when deputy finance ministers from the Group of Seven leading industrialized nations meet Tuesday in Paris. In addition, the Jiji Tsushin-Sha news agency quoted Prime Minister Ryutaro Hashimoto as: saying, "The market moves on com-plicated factors. All we can do is closely monitor it."

How far the United States is willing to see the yen drop depends on its tolerance for ever greater trade deficits with Japan.

The weak yen led to a ballooning Japanese trade surplus in the first 20 days of May — 10 times the size of the surplus in the same month last year, the Finance Ministry reported Monday.

Despite the strong exports a weak yen

could generate for Japan, it is wrecking hopes in the rest of Asia that Tokyo might help pull contracting economies out of recession, as the United States did with Mexico during its crisis this de-

cade.
"The weak yen indicates the domestic economy in Japan is yet to bottom out," said Mr. Kim of Goldman.

In addition, with shaky Asian banking systems already requiring billions of dollars to recapitalize, "weaker currencies are making strategy of hanging on to exchange rates with high interest rates less and less tenable," he said.

Markets such as Taipei have healthy banking systems, but Taiwan competes directly with Japan, so a cheaper yen makes it harder for Taiwan to sell its exports abroad. What is more, half of all Taiwan exports go to Asia — 10 percent to Japan and 40 percent elsewhere in the

Taiwan's exports last month fell 7.5 percent compared with May 1997, but the Armageddon scenario for Taiwan is if China devalues the yuan," said Mr.

YEN: Once-Almighty Currency Laid Low

Continued from Page 1

1991, the currency held high, a holdout of the heady days. But last week, as the value of the yen dropped steadily, the government official known as "Mr. Yen" for his influence over the currency, Deputy Finance Minister Eisuke Sakakibara, said, "the trend of the strong yen is finished."

The decline has had enormous effects. Victoria's Secret, L.L. Bean, Land's End and other companies have done more than \$1 billion in annual mailorder business here in recent years. But much of that boom was because even with shipping costs and import duty, mail-order goods were still cheaper than similar items in Japan. But now that it takes so many more yen to buy the items, orders are down, industry analysts said.

You could buy anything with yen before," said Eri Suzuki, a college student. "Everything seemed cheaper when you had yen. But look at it now it's wobbly and it just doesn't seem to have the power any more."

In an amazing reversal of roles from the days when Japanese investors were acquiring landmark U.S. real estate like so many trophies, Tokyo property is being gobbled up by Americans at a rate that is alarming some people here.

By some estimates, U.S. investment in Japanese real estate is up to \$20 billion, a fivefold increase in a year, as land priced in yen starts to seem affordable. The presence of American prospective investors here is greater and more visible than any time this decade. The financial woes of Japan's banks and corporations are also putting pressure on them to dump real estate, and some land parcels 40 percent what they cost 10 years ago.

So far, no foreigner has purchased any marquee property equivalent to Rockefeller Center in Manhattan or Pebble Beach in California. But there have been significant purchases by Goldman, Sachs & Co., Morgan Stanley & Co. and other American investors. and many are predicting that it is in-evitable that a brand-name building in Tokyo will end up in American hands.

That "American invasion" is too depressing for many people here to con-template, a state of mind that was reflected in a recent edition of Aera magazine, which ran a two-page color photo showing an American flag looming over the streets of Tokyo looking a lot like the apocalyptic spaceship from the movie "Independence Day." The head-line: "U.S. Money Brying Japan." The weakening of the former Godzilla

of currencies has made Japan cheaper for. foreign travelers. Japan is one of the few Asian countries where it is hard to find a college-aged backpacker, because it has been seen as so costly a visitor would

need to bring a heavy suitcase of cash. Japan is still no bargain, but the gap between the prices here and other destinations is narrowing, according to several recent studies. Standard rooms in the Four Seasons and Westin Hotels in Tokyo are going for yen prices that are less than \$260. That is about \$100 less than they were three years ago - and generally much less expensive than their counterparts in New York.

Testuo Kitagawa, a spokesman for Toyota Motor Corp., said the broad anxiety Japanese feel about the economy's future is making them spend less and save more. That is having a devastating effect on just about every sector, from and buildings are going for 10 percent to factories to storefronts. Now the weak yen is adding to the anxiety, he said.

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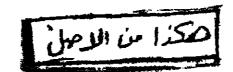
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Mexican Mediator Steps Down

SAN CRISTOBAL DE LAS CASAS, Mexico -Blaming the government for stalled peace talks with Zapatista rebels. Bishop Samuel Ruiz stepped down as the central figure in efforts to resolve the conflict in southern Mexico.

"It is clear to me that a chapter in the peace process has ended." the bishop said in his homily Sunday.

Bishop Ruiz's resignation as president of the church mediation team formed after the Zapatista rebel uprising in Japanese 2004 and according about in January 1994 underscored growing pessimism about peace efforts in the southern state of Chiapas.

Several hours later, the church mediation commission announced its dissolution, also blaming the government for "dismantling the necessary conditions for dialogue

It said the government and its agents had caused growing militarization and violence in the region. Fortyfive unarmed residents of a pro-rebel village, many of them children, were killed in December by gunmen linked to Mexico's governing party.

40 Die in Somali Clan Fighting

MOGADISHU, Somalia — About 40 people were killed over the weekend as a Somali warlord recaptured the town of Baidoa, according to radio reports received Monday in Mogadishu.

Hussein Mohammed Aidid's forces on Sunday drove out the Rahanwein Resistance Army from Baidoa, an important agricultural center about 200 kilometers (125 miles) northwest of the capital, according to radio reports monitored in Mogadishu.

Mr. Aidid, considered one of the most influential faction leaders in the divided country, controls southern

A Rahanwein Resistance Army spokesman said that Baidon had fallen to Mr. Aidid, but that the army remained in control of the airstrip.

Uganda Rebels Kill 50 Civilians

KAMPALA, Uganda — Ugandan rebels killed 50 civilians in two separate attacks in the western Kabarole district Monday, military officials in Kampala said.

A military source in the capital said the Allied Democratic Forces rebels attacked two civilian targets, including a school. Most of the dead were schoolchildren. the source said, adding that no other details were avail-

The Allied Democratic Forces, a band of disparate rebel groups, have been fighting for a year to destabilize President Yoweri Museveni's government. (AFP)

Shooting Sparks Jamaica Riot

KINGSTON, Jamaica — Rioters set fires, looted shops and blocked roads in the resort town of Negril after the police shot a local man who allegedly assaulted a young girl, the police said Monday.

Hotels said tourists were not affected, because the rioting Sunday night was confined mostly to downtown Negril and did not extend to the hotel strip.

A police officer said that calm was restored to the town after the police rushed reinforcements from Montego

Lorne Welch, 81, Dies; 'Great Escape' Figure

LUNDON Lome Weich, 81, a daredevil British glider who was central to two fabled escape plans by British prisoners during World War II, died May 15 at his home in Farnham, southwest of Lon-

Mr. Welch was a training instructor with the Royal Air Force when, in 1942, with-Britain seeking to flatten key German cities with 1,000 bombing raids, he was ordered to fly his Wellington trainer into combat.

He was shot down over the Netherlands on his fourth raid and sent to the Stalagluft III prison camp in Silesia. He was later in Colditz, the huge Saxon castle where the Germans put their most escapeprone prisoners.

At Stalagluft III, Mr. Welch, an aeronautical engineer, put his technical skills to work. Using parts of two beds, two duffel bags, nine coar-hooks, four ice-hockey sticks, four table tennis paddles and leather from an aviator's boot, he built the ventilation pump for a 300-foot (90-meter) tunnel, "Harry." through which

76 prisoners escaped in 1944. One of the largest breakouts by Allied prisoners. it ended in atrocity and was made into a movie, The Great Escape, in 1963. Seventy-three of the escapees were recaptured and 50 sum-

marily executed. Before the tunnel escape, Mr. Welch had already left. In lune 1943, he and his cellmate, Walter Morison, walked out through the main gate wearing fake Germany uniforms. They were recaptured a week later during an attempt the hugely successful "Does to steal a German plane and fly she ... or doesn't she?" camto neutral Sweden.

Obvious candidates for Colditz, Mr. Welch and Mr. Morison arrived at the castle helped popularize hair dye in to find what might have been to find what might have been of women colored their hair. cious escape in preparation: Clairol's sales soared to more the construction of a full- than \$100 million a year on sized, two-man glider in a the strength of Ms. Polykoff walled-off section of the campaign, which ended with

glider for airworthiness, but before it could be used, U.S. forces liberated Colditz in 1945. Prisoners displayed the glider to astonished guards.

After the war, Mr. Welch was the first person to glide twice across the English Channel, flew in four world gilding championships and worked as a test nilot en cer

Erika Cheetham, 58, Nostradamus Scholar

NEW YORK (NYT) Erika Cheetham, 58, an English medieval scholar who made a fortune translating the predictions of the 16th-century physician and astrologe Nostradamus, who gazed not only at the stars but also, legend had it, into a brass bowl of water to see visions of the future, died May 3 in Lon-

Her books, "The Prophecies of Nostradamus," The Further Prophecies of Nostradamus" and "The Final Prophecies of Nostradamus," in which she claimed to have found predictions of the execution of Charles I, the Great Fire of London, the Apollo 13 catastrophe and the spread of AIDS, sold in the

They were on mass-market paperback best-seller lists for vears in the United States, Britain and other countries, and, since the first book appeared in 1973, they have never been out of print.

Her good fortune came about because of a mistake at the Taylorian Library at Oxford, where she was working toward a doctorate in medi eval languages. The librarian "Propheties de M. Nostrada-mus." She found it fascinating and saw in it what she interpreted to be a prediction of World War II.

Shirley Polykoff, 90, Wrote Coy Clairol Ad

NEW YORK (AP) -- Shirley Polykoff, 90, an advertising executive who wrote paign for Clairol hair color-

ings, died Thursday. Her coy 1956 slogan the line, "Hair color so nat-Mr. Welch checked the ural only her hairdresser

knows for sure." Also among Ms. Poly-koff's successful campaigns: "Is It True Blondes Have More Fun?" and "If I've Only One Life to Live, Let

Me Live It as a Blonde. She was for years the only female executive vice president at the giant ad firm Forte, Cone & Belding.

Ethiopia Says Rival Started Fight

The Ethiopian foreign minister made a diplomatic assault Monday on neighterritory along their common border.

"The first thing to be done is for Eritrea to withdraw its troops and return to the status quo." Foreign Minister Seyoum Meslin said. Eritrea, he said, is "The Council of "imposing war on Ethiopia by occupy-

ing certain territories."
Mr. Seyoum made the comments in Burkina Faso's capital of Ouagadougou as African heads of state gathered for a meeting of the Organization of African

Unity.
Ethiopian warplanes bombed Eritrean targets over the weekend in retaliation for what it called a violation of existing border agreements.

The summit meeting, touted as a forum for peace, was focusing instead on the potential for widening war between Ethiopia and Eritrea.

President Nelson Mandela of South Africa and some other heads of state were expected later Monday for the

three-day meeting. "The continent received as a shock and with concern the news of the crisis,' the secretary-general of the organization, Salim Ahmed Salim, said Monday Ethiopian militiamen waving Monday as they moved toward the front at Zala Ambessa, in Tigre Province.

of the conflict in the Horn of Africa.

"This unfortunate development," he

added, "constitutes a severe setback to leaders of Eritrea over the weekend to OUAGADOUGOU, Burkina Faso — our efforts at forging peace, security and encourage a negotiated settlement.

from their scheduled talks and urgently ident Meles Zenawi. appealed for Ethiopia and Eritrea to

"The Council of Ministers appeals to which began May 6. the two parties to put an end to all

hostilities," their statement said. Mr. Mandela and the presidents of land at a place where the border is ill-Djibouti, Uganda and Kenya called the defined.

President Issaias Afwerki of Eritrea, diplomatic assault Monday on neighboring Eritrea, accusing it of provoking war by deploying forces into disputed war by deploying forces into disputed peace to avoiding all-out war. On Saturday. African foreign ministers broke Seyoum of Ethiopia represented Pres-

> The Organization of African Unity has had little impact on the border clash,

Ethiopia and Eritrea are fighting over a barren, 400-square-kilometer patch of

Guinea-Bissau Force Attacks Army Kebels

Monday in the Guinea-Bissau capital, unknown.

diplomats said. Loyalist and rebel soldiers ex- missed the reports, however. changed heavy and automatic

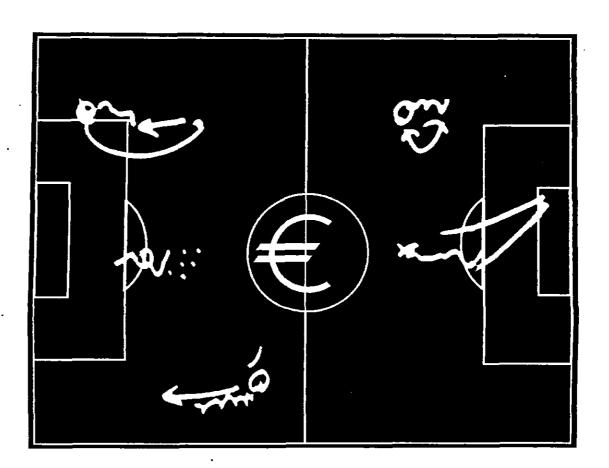
of civilians, according to sources.

Azence France-Presse

BISSAU, Guinea-Bissau — Forces lion spread Monday to Mansoa, a garloyal to President Joao Bernardo Vieira attacked two rebel-held barracks but the extent of the fighting there was

Guinea-Bissau authorities dis-

The fighting erupted in Bissau after weapons fire in the district of Bra, on General Humberto Gomes was named the airport road leading north out of army chief of staff, replacing General Bissau, in a clash that eased off rap- Absumane Mane, who was suspended idly around noon, the diplomats said. after being implicated in arms traf-Fighting that began Sunday ficking to separatists in the Casa-claimed at least 10 lives, mainly those mance region of neighboring Sene-

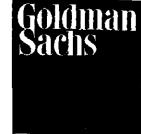


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Mernational Herald Tribune

PARIS - The Air France pilots' strike entered its second week Monday with negotiations deadlocked and management reportedly determined to impose salary cuts.

A union leader, Christian Paris, warned that a unilateral attempt to cut salaries would lead to an "irrevocable break" between the pilots and man-

With the positions hardening on both sides, it appeared increasingly problematic whether the World Cup soccer tournament starting Wednes-day could count on the participation of its official airline. Air France said it would meet commitments to transport the 32 teams and their entourages, but not the tens of thousands of supporters expected in France for the 33-day event. Jean-Cyril Spinetta, president of the state-owned airline, said he would call an extraordinary board meeting this week — probably Wednesday or Thursday — at which he would announce "important decisions."

Airline sources said Mr. Spinetta had two essential options: He could settle with the pilots and abandon a 40 billion-franc (\$6.7 billion) development plan designed to renew and expand the airline's fleet to take advantage of an improved economy. Or he could impose a new salary structure that would bring the pilots into line with those at rival airlines such as British Airways and Lufthansa.

The sources said the latter seemed the likeliest outcome following a meeting Sunday between Mr. Spinetta and representatives of the more than 40,000 Air France ground staff and cabin crew. Many expressed dismay at the way the airline was being held hostage by the pilots and appealed for decisive action to assure the future of the

Mr. Spinetta is seeking 3 billion francs a year

strike began, the airline --- which made a profit of 1.8 billion francs last year after years of deep losses — says it has lost 1 billion francs.

Mr. Spinetta proposed exchanging Air France shares for up to 15 percent of the pilots' salaries when the company is partly privatized this year. But union leaders representing the 3,200 Air France pilots rejected the proposal. They also demanded that management scrap a plan to put newly hired pilots on a lower salary scale.

The sources said Mr. Spinetta considers the

negotiations over. "We have exhausted our capability of understanding the pilots," a senior Air France official said.

Jean-Charles Corbet, the leader of the main union, vowed that the pilots would not fly if management tried to impose a unilateral solution. "We will go to the bitter end in this conflict,"

in cost savings, and he demanded a 500-million-franc reduction of the pilots' payroll. Since the Mr. Paris said in a radio interview that the pilots were salaried workers and had every right to fight to avoid losing up to two months' worth of their annual pay. He rejected criticism from other groups of workers at Air France, saying that if the pilots ceded, everyone would suffer.

Mr. Spinetta's hand was strengthened over the weekend by an assurance from Prime Minister Lionel Jospin that the government would not interfere in the negotiations and would stand behind the management. There had been spec-ulation that the Socialist-led government, which earlier scrapped a plan to privatize the airline, would buckle under pressure from the pilots and

seek a compromise. The transport minister, Jean-Claude Gayssot, had earlier appeared ready to intervene. But

groups, such as railroad workers and truckers. With the World Cup already disrupted, Mr. Jospin said the government's concern was not the tournament, for which France has prepared for the past five years, but the survival of Air France. Finance Minister Dominique Strauss-Kahn, made it clear that there was the prospect of further subsidies for the airline, which has soaked up 20 billion francs pook: 16 risis

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of cash from taxpayers in recent years.

The pilots earlier offered to fly World Cup ticket. holders to France, but the airline rejected the offer because it could not legally discriminate between one group of passengers and another and because the striking pilots would lack proper insurance.

Chaos eased at Paris's Roissy-Charles de Gaulle Airport on Monday after striking baggagehandlers returned to work. But some railroad workers remained on strike in the south, and others said they would begin a walkout Tuesday. A line political sources said the government realized said they would begin a walkout Tuesday. A line that it if gave way to the highly paid pilots, it on the Paris Metro was blocked Monday after that it is gave way to the highly paid pilots, it would face a wave of demands from other workers walked out to demand better security.

Jewish Settlers Occupy 4 East Jerusalem Homes, **Setting Off Confrontation**

By Joel Greenberg New York Times Service

JERUSALEM - Expanding their foothold in East Jerusalem, Jewish settlers moved into four homes in an Arab neighborhood early Monday, setting off a violent confrontation and heightening tension in the area claimed by both Israelis and Palestinians.

Acting under cover of darkness to prevent Arab unrest, members of the settlement group Elad entered homes they said they had acquired in Silwan, a village just outside Jerusalem's walled Old City. They removed furniture, spread coils of barbed wire and raised

"Our aim is to Judaize East Jerusalem," declared Yigal Kaufman, a spokesman for Elad, which has purchased properties and moved Jews into main part of Israel's capital. Silwan in recent years. "The City of rusalem, and we want it to become a Jewish neighborhood."

Mr. Kaufman used the Hebrew name with the Israelis. for the Silwan area, which is the site of the Israelite city of Jerusalem under the biblical King David.

A clash broke out at one house when a group of Palestinians arrived with Israeli Israeli Army radio. peace advocates and removed barbed wire. Witnesses said that settlers lashed out with sticks and the Palestinians threw stones. Faisal Husseini, a Pal- the city's intervention, because the Jews estinian cabinet member responsible for were exercising their legal ownership. Jerusalem affairs, was injured slightly.

The settlers moved into the homes intentions and learned of their action with the advance knowledge and pro- over the radio, the statement added.

tection of the Israeli police, raising charges that they were tacitly backed by

the Israeli authorities. "The entry was legal," a police spokesman said. "The houses belong to

Enraged Palestinians and Israeli peace advocates accused Prime Minister Benjamin Netanyahu and Mayor Ehud Olmert of Jerusalem of complicity in what they described as a calculated political provocation. But aides to both Mr. Netanyahu and Mr. Olmert denied any prior knowledge of the settlers' action, saying that the Jews had simply moved into homes that were legally theirs.

Both Mr. Netanyahu and Mr. Olmert are staunch supporters of Jewish settlement in East Jerusalem and assert that the area, captured from Jordan in the 1967 Arab-Israeli war, will forever re-

The Palestinians claim East Jerusalem David is the most ancient core of Je- as the capital of their hoped-for state and view any Jewish settlement there as an obstacle to a future peace agreement "The prime minister's office was not

party to the organization and planning of the entry to those houses," Danny Naveh, the Israeli cabinet secretary, told A statement from Mr. Olmert's office

asserted that the entry of the settlers was "a private matter" that did not require

convinced. Mr. Olmen had no idea of the settlers'



CHINESE CHARACTER — A man relaxing in Beijing in front of a drug message in English ("LSD") scrawled on a park wall.

these people to do these things," said create political facts."

The Palestinian leaders remained un- Ziyad Abu Zayyad, a Palestinian lawmaker from East Jerusalem. "This is a "Netanyahu's office and the munici- political entry. These people are not pality are involved, and they encourage coming to live quietly. They want to

Kosovo's Fighters Head **Into Chaos and Mayhem**

But Are Untrained Warriors Ready to Face Death?

By Chris Hedges

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New York Times Service TROPOJE, Albania - A local gun merchant, his handkerchief hanging out of his green camouflage cap to keep his neck from roasting in the afternoon sun, reached into the trunk of an old black Audi where he had a pile of assault

"Big boom," he said in broken English, picking up a Chinese-made AK-47 rifle. "Ten dollars."

The fighting in the Serbian province of Kosovo, where ethnic Albanians make up 90 percent of the 2 million people, has begun with the mixture of farce and tragedy that colored the recent wars in Croatia and Bosnia.

Men and boys woefully unschooled in the mechanics of war swagger about in uniforms, mimicking the macho warriors in the fantasy world of television and film. Most appear doorned to walk into a conflict they do not understand, where chaos, violence and mayhem take the place of

rules of engagement and discipline. "There are many, many groups that machine guns, some from World War II, have formed to fight," said a senior lay in rows against the barbed wire Albanian official who expressed dismay at the number of fighters. "They have no idea of what awaits them. Many will die

Continued from Page 1

There are signs that many are dying already. The rebels who escort refugees from Kosovo across the border into Albania boast proudly that they are holding a stretch of road near Pec against Serbian

But none are able to explain why dying for this piece of asphalt advances the rebel cause. Other armed groups have apparently dug trenches around besieged towns and are trying to fight off superior Serbian forces, which on Saturday used jet fighters to bomb suspected rebel positions, they said.

"I cannot tell you the name of my village because we have strong resistance there," a 23-year-old man said. 'We will go back tonight to help hold off the Serbs.

The open-air gun market in this dusty, lawless border town is the last stop in Albania for many of the mercenaries, smugglers and idealistic volunteers who are headed by foot into Kosovo to join

the separatist Kosovo Liberation Army. Mules loaded down with weapons brayed in the dusty streets, and ancient fences. A half-dozen merchants, all with assault rifles slung over their shoulders. coordination, little experience and no turned the weapons over for inspection. many to men who seemed unsure how to handle them. One man was selling a ings and collapsing mud and wattle

KOSOVO: EU and NATO Move to Raise Pressure on Milosevic



Foreign Minister Wolfgang Schuessel of Austria, left, and Foreign Secretary Robin Cook of Britain discussing Kosovo at the EU meeting.

The buyers rammed home ammunition and fired bursts into the woods to try out the guns. Groups of men, conspicuous in new camouflage fatigues, cartridge belts and black combat boots, lay stretched out on a grassy slope for the signal to begin the 15-hour climb over the Shkelzen Mountains into Kosovo with the departing mule trains. Many others wandered up and down the dirt streets.

"I have been here all day," a young fighter said. "Tonight I will go into the mountains with 40 others. We will be home by tomorrow morning."

Off the dusty square, surrounded by windowless, crumbling concrete build-

collection of green anti-tank mines, homes, several dozen men were crammed into a noisy, fetid bar. They swiftly downed brown bottles of beer, talked of the coming battle and tried to mask their nervousness with an unconvincing bravado.

"We will all fight to the death," said a man wearing a shiny leather case that held a huge hunting knife. "Every Albanian in Kosovo is now a member of the Kosovo Liberation Army.'

Serbia, in defiance of international calls for restraint in Kosovo, has been shelling and burning towns along the Albanian border for over a week, apparently to create a depopulated buffer zone. The attack is expected to displace as many as 40,000 people, nearly 20,000 of whom have now fled to Albania and Macedonia.

The Serbs apparently hope to use the free-fire zone to block the flow of weapons and fighters that have poured into Kosovo since Serbia began its campaign against the rebels in March. Several hundred people have been killed in

the three months of fighting. The Albanian border region is flooded television. with volunteers and arms dealers, many of whom sell some of the 650,000 weapons looted from Albanian armories last year. Mule trains, laden with guns and green ammunition boxes, wind up the steep slopes into Kosovo. The border towns are awash in men waiting to de-

Serbian guard towers on the border were silhouetted on the sharp, forested nd asset freeze Monday.

But Western diplomats acknowledged rebels bought up weapons and prepared to leave Saturday.

The preparation has deeply disturbed relief workers, who have been placing television again, this time announcing refugees in local homes and struggling to bring in tons of food and medicine. "If the Serbs decide to drop a few

shells over the border," a relief official that much of Serbia's wealth abroad has said, "the first place they will land will be Tropoje. This place has become a come of 1993 elections that were to have

Heat Over 'Cool Britannia' Labour's Courting of the Cultural Elite Comes Under Fire as Stones Cancel Tour

By Tom Buerkle

International Herald Tribune LONDON - In the heady days after the Labour Party swept to power last year, the coterie of pop stars, artists and entertainment moguls eager for admission to the inner circle of Prime Minister Tony Blair were a glittering symbol of

the party's stunning success. The stuffed shirts at cocktail parties at No. 10 Downing Street gave way to the likes of Noel Gallagher, the leader of the rock group Oasis, while Mr. Blair and his ministers praised artists and designers for revamping the country's image as Cool Britannia

But one of the coolest things about Britain today is the relationship between Mr. Blair's Labour government and the cultural elite.

Aspiring rockers are angry that Labour plans to force them to enter a job or training program to draw unemployment benefits, something the Conservatives never did. Performing artists have seen their hopes of higher subsidies for the theater and other arts mostly unfulfilled. are bristling at the mere mention of Cool Britannia, regarding it as a cynical attempt by the government to increase its

own popularity.

The latest blow came over the weekend with the announcement that the Rolling Stones would cancel the British Stones' lead singer, Mick Jagger, said, for British exports and for attracting the change would have meant a £12 visitors to the country. ie oand and its road crew, pusi

was quoted as saying in The Times. The incident sparked an unusual exchange that showed just how much the political goalposts have shifted here as the Conservative Party cried foul on behalf of the 200,000 people who had bought tick-

ets for the Stones' four British shows. Richard Spring, the Conservative spokesman for cultural affairs, said, "If we are going to run around saying we like Cool Britannia and artistic endeavor and you have a tax regime which makes it impossible for those people to come here and play, then it is a complete contradiction.

Under the old tax law, Britons who lived and worked abroad for more than a year were exempt from British taxes on their earnings, so long as they did not spend more than 62 days in Britain.

The Conservatives claimed that the tax change would hit plenty of ordinary Britons who work most of the year abroad, including charity workers and those in the offshore construction industry.

But a spokeswoman for the Treasury defended the move, which was announced in the March budget. The change makes the tax system fairer by closing a loophole that a handful of wealthy Britons have used to avoid an estimated £250 million a year in tax payments, she said. "Everybody should pay their fair share," she added.

The tax flap showed every sign of dying down quickly. The Stones quickly rescheduled the British concerts for next summer so they would not affect the band's tax position this year. And even in the entertainment industry, there was no groundswell of sympathy for the country's tax exiles.

"I'm glad," said Andy Saunders, a spokesman for Creation Records, a lead-

ing independent label. "It's good for Phil Collins and Eric Clapton that they'il be paying taxes in this country." But Labour's love affair with the cul-

ture crowd appears to have entered a longer-lasting decline. Although the government has managed to increase funding for filmmakers, its seeming obsession with image and its economic strategy of being as tight with

money as its Conservative predecessors have cost it a lot of credibility. "The present government should be very careful: style is no substitute for substance," the comedian Ben Elton wrote in a recent issue of Radio Times. 'I did not vote Labour because they've heard of Oasis, and nobody is going to vote Tory because William Hague has got a baseball cap. It's sad, it really is. Leaders should never, ever try to look

cool - that's for dictators.' Frank Johnson, editor of The Spectator, a conservative weekly, said the new mood was a welcome and thoroughly predictable corneuppance.

It's something that always happens when governments think they're cur-And increasing numbers of entertainers rying favor with the young and the culturally switched on," he said. "Young people by definition cannot regard any politician as cool."

Mr. Blair has not taken the criticism lying down. He took time out from his recent Middle East visit to dismiss the Cool Britannia backlash, pointing out leg of their world tour this summer be- that the term had been coined by others cause of a recent decision by the gov- long before he took office. He also said ernment to annul a long-standing tax, the arts, design and other creative inbreak for Britons working abroad. The dustries were more important than ever

million (\$19.6 million) U.K. tax bill for But the criticism has drawn blood in at ist one instance. The Britis Bridges to Babylon tour into the red. But Authority, the agency that has led the he declined to criticize the government. Cool Britannia boosterism in the past, "I'm not a party political animal," he acknowledged last month that the moniker had seen its day. It is now promoting a friendly, humorous and eccentric country — Warm Britannia.

Discovery Says Good-Bye to Mir

The Associated Press

HOUSTON - Completing a historic last linkup, the space shuttle Discovery pulled away from Mir on Monday, marking the end of America's three-year partnership with the Russian space station and the transition into a new era of spaceflight. the international space station.

"This is great, and the whole flight has been fantastic," the shuttle commander, Charles Precourt, told his Mir counterpart, Talgat Musabayev, before Discovery backed away. "We're looking for-ward to working with you again."

In an emotional last gathering in the space station, Discovery's astronauts and Mir's cosmonauts exchanged handshakes and hugs before closing the hatches between the two spacecraft.

And Mr. Musabayev gave Mr. Precourt one last gift: a huge wrench that was used in spacewalks outside the Mir and is to be flown to the international space station.

After four days of joint flight, Discovery eased away from Mir as the two spacecraft sailed 240 miles (400 kilometers) above southern Russia. The shuttle is due to land at Florida's Kennedy Space Center on

ABACHA: Nigerian Leader Is Dead at 54

Continued from Page 1

Abacha who announced it on national

Two years later, General Abacha went on state-run TV to announce that General Mohammed Buhari was being replaced by General Ibrahim Babangida.

General Babangida would soon appoint General Abacha as his defense minister, and in 1993 he used his power in that position to force General Babangida's resignation amid the civil turmoil that followed the army's cancel-

lation of civilian elections. General Babangida named a civilian government to rule in his place, but three months later General Abacha was on that he had taken power himself.

General Abacha's bloodless coup at first brought hope for relief from the civil strife that developed after General Babangida refused to accept the outreturned Nigeria to civilian rule.

But General Abacha's promises of democratic reform proved as hollow as those of his predecessors. Elections that were to have brought civilian government in 1996 never occurred, and General Abacha announced that he was stretching his rule until the end of

When Chief Abiola, frustrated by his stolen victory, marked the 1993 election's first anniversary by declaring himself president, he was jailed on treason charges. Others soon followed. among them a former military ruler. General Olusegun Obasanjo. No act of General Abacha's drew such public condemnation as the 1995 hanging of the environmentalist and playwright Ken Saro-Wiwa and eight other political activists convicted in a closed military tribunal of conspiring in the slaying of political opponents.

Critics said the charges were false, General Abacha's revenge for Mr. Saro-Wiwa's challenges to the military gov-

deployment of thousands of troops along Kosovo's borders with Albania and Macedonia. At the United Nations, the United States and Britain were seeking to lay the legal foundation for intervention by proposing a resolution to the Security Council that would endorse the use of "all necessary means" to stop the conflict from spreading across borders.

But for all the tough talk and diplomatic maneuvering, it remained un-clear how far the Western powers were willing to go in pressing Mr. Milosevic to meet their demands. These include the immediate withdrawal of Serbian security units from Kosovo, a restoration of autonomy for ethnic Albanians there and a willingness to engage in serious oppression. political negotiations with their leader,

Russia and France have expressed reservations about seeing the North Atlantic Treaty Organization, which is responsible for the Bosnia peacekeeping mission, conduct a second military in-

(But on Monday, the Russian defense minister, Igor Sergeyev, was quoted by Reuters as having said that Russia would not in principle oppose NATO intervention in Kosovo conducted with the was imposed at the end of April. But the approval of the UN Security Council. it could be on the basis of the decision of the Security Council." Mr. Sergeyev said in Bonn. "Russia would not be opposed to this." He was accompanying

Chancellor Helmut Kohl.} If NATO troops are denied the mandate to breach Yugoslavia's sovereignty and restore peace in Kosovo, some military experts have questioned whether deploying troops along the borders of Albania and Macedonia would serve as a useful deterrent to continued Serbian

President Boris Yeltsin to talks with

If you send in NATO troops to Albania and Macedonia and tell them to stop the flow of arms and guerrillas across the borders, it would probably be the biggest favor we could do for Milosevic," a NATO official said.

Mr. Milosevic has been adroit at ex-

tervention beyond its territorial domain. ploiting divisions in the international community in the past. When he agreed to open talks with Mr. Rugova last month, the United States pressured its allies to revoke an investment ban that talks collapsed after two rounds when Serbian forces launched an assault last week against villages that were purportedly serving as sanctuaries for Kosovo guerrillas.

Diplomats who visited Kosovo during the weekend said they were appalled by the destruction of civilian targets by Mr. Milosevic's forces. Their report cleared the way to restore the investment ban and asset freeze Monday.

that sanctions may not trouble Mr. Milosevic because he has staked his political survival on nationalistic appeals to his compatriots to resist foreign pressure. They also noted that few foreign companies were willing to invest in Serbia because of its current instability and

already been funneled into havens, such

as banks in Cyprus and Russia.

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INTERNATIONAL

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POOR: A Crisis Seen Up Close

representatives of the relief group Oxfam. They report that many Indonesian moth-boiled wood. ers can no longer afford milk, which has tripled in price, and

are giving their babies tea. The picture that emerges

purring again.

When children are malnourished before they are five years old, the impact on their

donesia, an aid organization.
When you combine the two factors we're now seeing corn, villagers are turning to - malnutrition and its impact anything edible. on IQ, and also children drop-

new. But they have been my lifetime, never. hugely magnified. On the eve getting by with a per capita crisis.

For those 40 million, and tion in countries like Thai- will be hard-pressed to import land, Vietnam and Burma, the grain to cover the shortages. poverty does not necessarily just mean living more simply. In extreme cases, it means sia's children were malnourliving not at all.

sometimes doubled or even dren. quadrupled in price when local currencies tumbled against the dollar. A result, according to rural doctors and mally be saved.

Moreover, children are to a doctor. dropping out of schools, which play an important role in monitoring their health by arranging checkups, vaccinations and referrals to doctors. The schools also teach basic practices like handwashing and cultivate a more the victims would suggest. educated population that in Alongside the most the long run will be more con wretched there are also many scious of hygiene and will be crucial to sustaining Asia's industrial revolution.

Data on school dropouts lished government survey of that he will ever starve. school enrollment indicates He and his neighbo that 40,000 to 50,000 first- Puumawo, a village on the graders have dropped out of small Indonesian island of the school system this year Sumba, are running out of alone. That amounts to 4 perfood and the village is so recent of all first-graders, and mote that the government will with other survey information never manage to send relief. it suggests that the number of To get to Mr. Kadi's house, elementary school dropouts one must hike for a couple of in Thailand may have almost miles through the muddy rice

mentary and junior high a log that is the only bridge school students may drop out over a river. this year, compared with 2.8 Yet as M million in a normal year.

public-health representatives soften the fall. in the village, but now we've had to cut all that back." said tual support system that links northeast Thailand.

Miss Chitana said the cost of medicines soared. As a result, the clinic is out of peni"If you borrow one sack of

nothing to give them."

closely linked to malnutri- have relatives in a village ciosely inneed to mannum-tion, and the spreading hun-ger is readily visible in places like the village clearing in In-

Continued from Page 1 donesia where Wilhelmina Boemao was preparing her dinner behind her thatch-roof hut. On the menu that night:

Miss Boemao, a tall, good-natured woman living in West Timor, Indonesia, is be-ing forced by hunger to eat suggests increases in death rates, school dropouts and malnutrition. Some experts up the putak and she chops up the putak and palm tree that grows wild. She chops up the putak and say that the legacy of the boils it into splinters that taste crisis will be felt long after the as unpalatable as they sound region's economies are or else she grinds it into what she calls flour, but it is actually sawdust.

The economic crisis has coincided with crippling droughts caused by El Niño intelligence is permanent, droughts caused by El Niño currents. So rain has not chairman of World Vision Infallen and crops have failed, particularly in eastern In-donesia. With no rice and

"In the past I used putak to ping out of primary school feed pigs, and even they the impact will be quite dev-didn't like it." Miss Boemao astating 10 years from said. I never ate putak. My grandmother used to talk Asia has always had many about eating it in hard times, poor areas and hungry chil- and my mother may have dren, so the problems are not eaten it once or twice, but in

Even in normal times, the of the crisis. Indonesia had drought would be a calamity, about 20 million people who but it is doubly so in the lived below the poverty line, middle of an economic

people below this poverty because people have lost their line may surge to 40 million jobs. Second, the Indonesian government, absorbed by fi-nancial problems and politfor the tens of millions more ical upheaval, has not been who live in similar depriva- able to help the villagers, and

Even during the boom years, 39 percent of Indoneished, according to World Medicine in the region is Bank figures, along with 45 often imported, and thus percent of Vietnamese chil-

Most experts expect those figures to increase, but such numbers are a bit unreal because it is impossible to tabsocial workers, is that people ulate accurate health statistics are dying who would nor- for peasants who are so poor that they cannot afford to go

Yet for all the deprivation caused by the crisis, the situation is not uniformly bleak. Some people are dying or suffering greatly, but Asia is a more complex and varied canvas than a focus solely on

poor people like Bulu Kadi. Mr. Kadi, a 55-year-old peasant with a head of unkempt hair and a machete tucked unare scarce, but in Thailand der his belt, is lean and hungry officials say that an unpub- but still not remotely wortied

He and his neighbors in paddies from the nearest In Indonesia, the govern-ment warns that 8 million ele-a creek and finally balance on

Yet as Mr. Kadi recounts how he manages to get by, the In addition, governments conversation underscores in such countries as Indonesia what has protected Asia from and Thailand have had to cut far worse suffering. Most spending, and a result in some countries in Asia do not have cases has been an end to the kind of safety net popular school lunches and cutbacks in the West—unemployment for public-health campaigns. in the West—unemployment insurance, welfare system, We used to have village food stamps — but nonethehygiene organizations and less there are two cushions to

Chitana Saribut, a 28-year-people together. The second old nurse at a rural clinic in is the natural bounty of the

land.
"The tradition here is that budget of the clinic had been if people don't have food, cut 30 percent, even as the they can borrow from their result, the clinic is out of penicillin, fever medicine and other essentials.

"When patients come to us," she said, "we often have us, "she said, "we often have us, "she said, "we often have us," she said, "we often

and becoming looser-knit, but Sickness and death are most laid-off workers still

Cohen Orders Probe of Report That U.S. Gassed Defectors

The Associated Press

WASHINGTON - Defense Secretary William Cohen ordered an inquiry Monday into allegations that special U.S. ordered an inquiry Monday into allegations that special U.S. forces used nerve gas to target U.S. military defectors during the Vietnam War, although he said the Pentagon was not aware of any information that could back up the charges.

"My understanding is that would, of course, have violated our own policy at the time," Mr. Cohen said in an interview with

CNN, which with Time magazine issued the report. "President Nixon had declared an end to use of any kind of biological weapons." Richard Nixon was president from 1968-74. Nonetheless, Mr. Cohen said he was asking the military

services, including the air force and army, to search records for services, including the all followant and y, to search records for any information that might substantiate the allegations and 'to examine it with the kind of seriousness it warrants.'

Former military officials who participated in the alleged operation in September 1970 said their job was to kill deserters. operation in September 1770 state that you was to aim descriters. But it was not known whether the suspected defectors died during a preparatory nerve gas attack or a subsequent assault with conventional weapons carried out by Special Forces troops.



In the small Indonesian village of West Timor, food has become so scarce that Wilhelmina Boemao, right, is forced to prepare meals of boiled wood, known as putak. Miss Boemao said that in the past she used putak to feed pigs - "and even they didn't like it." demnation and economic sanctions.

20 Wounded in Pakistan In Third Bomb Attack

ISLAMABAD, Pakistan - A bomb tore apart a jewelry store in eastern Punjab Province on Monday, the third bombing to hit Pakistan since Friday. The police said 20 people were

No one took responsibility for the explosion in Khanewal, 530 kilometers (330 miles) south of the capital, Is-

On Sunday, a bomb ripped through a train in southern Sind Province, killing 26 people and wounding 45. Another bomb exploded in a movie theater Friday in the eastern city of Lahore, killing three people.

Pakistan tightened security at hundreds of railroad stations, officials said. The railroads minister, Yaqoob Nasir, said a comprehensive security plan would be prepared to ensure safety on trains and at railroad stations. Pakistan accused India of being be-

hind the first two bombings. India has denied the charges,

Both countries routinely accuse each other of carrying out acts of terrorism. Pakistan and India have fought three wars since independence in 1947. Last month, both nations carried out underground nuclear tests that generated worldwide con-

In a statement, Information Minister Mushahid Hussain accused India of carrying out the first two bombings to "pht pressure on Pakistan and to divert attention away from domestic political and economic frustrations." (AP, AFP)

■ Bhutto Assails Prime Minister

The Pakistani opposition leader, Benazir Bhutto, said Monday she feared the country faced a calamity because of the economic policies of Prime Minister Nawaz Sharif rather than because of sanctions following nuclear tests, Repters reported from Islamabad.

After a speech to Parliament in which she called on Mr. Sharif to resign, Miss Bhutto said to reporters that Pakistan was facing the "gravest threat" since 1971, when Bangladesh seceded from it after India defeated Pakistani forces there.

India defeated Pakistani forces meac.

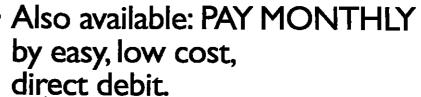
Miss Bhutto, who was succeeded as prime minister by Mr. Sharif in 1997, said, "Pakistan is internationally isolated, it is politically divided and it is economically fragile. I don't see the regime taking any steps to rectify the situation."

Mr. Hussain, the information minister, called Miss Bhutto's criticism an expression of jealousy that Mr. Sharif had raised Pakistan's stature by conducting the nuclear blasts.



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Help Indonesia Now

After three decades of stultifying not the past, so far has resisted calls to dictatorship, Indonesians have enjoyed examine how Mr. Suharto and his chiltwo weeks of remarkable political freedom, marked equally by exuberance and self-restraint. There is a sense in the world's fourth most populous nation that the future is up for grabs. For Indonesians as well as for U.S. policy toward that important country, this is a moment of peril and opportunity.

President Suharto surprised many by bowing to popular will and resigning, without a last-ditch fight, after 32 years in office. His handpicked successor, although no reformer by history or inclination, is in his turn responding to popular demands for change. Political parties, long banned, are forming; a few political prisoners have been released; the press is criticizing freely; labor unions are emerging from underground; a vigorous debate is taking place on how best to further promote democracy.

These steps are only the beginning. Some 200 political prisoners have not been freed. Many reformers believe that elections should be held sooner than the 1999 schedule proposed by President B. J. Habibie. The new president so far has refused to discuss a change in policy toward East Timor, where the worst human rights abuses of the Suharto era took place; no democratic government can sustain his nonegotiation stance.

And the new president, arguing that Indonesians should look to the future,

dren amassed billions of dollars in wealth. This, too, is a position that he will not be able to sustain. The desire to avoid frenzied retribution is understandable, but if Indonesia hopes to build an economy less permeated by corruption, it will have to reveal the sins and secrets of the old system. The greatest threat to Indonesia's

transition now is economic collapse. The currency has lost most of its value, the price of food staples has soared, and millions are unemployed. Starvation among Indonesia's 200 million people is a real possibility. If the economy is not righted soon, any hope of democratization may be lost.

Herein lies America's opportunity. Sticking with Mr. Suharto almost to the end, it played not much of a role in his downfall, and it now can best leave the political debates to the Indonesians. But, without taking sides in those debates, the United States could support the democratic process by aiding fledgling civic institutions, funding scholarships for students who suddenly see their prospects for education disappearing, and, above all, giving food and medicine in sufficient quantities to avert a humanitarian disaster. A large and generous aid program now could earn crucial goodwill for the United States while its way toward democracy.

The RFK Legacy

try to explain what made him special, they invariably describe him as a man who changed. Instead of becoming cynical or burned out with time and trouble, they say, he became less calculating, more passionate, more sensitive to social injustice. Even Americans who are not old enough to remember him must feel nostalgic at the idea of a man for whom politics was a catalyst for moral growth.

Robert Kennedy, who died 30 years ago this month, is a historical figure untrammeled by history. He was murdered while campaigning for the presidency at the age of 42, after a career as attorney general and senator that lasted less than eight years. He did not leave behind any notable achievement that could have fixed his image to a particular deed. His legacy was a presidency that never was, a blank slate on which people could draw their visions of a more perfect union.

Like his brother John, Robert Kennedy impressed himself so firmly on the national consciousness that Americans are able to believe in two same time. The good Robert Kennedy was a lifelong foe of organized crime. The bad RFK apparently tried to cover up his brother's affair with a mob leader's girlfriend, and probably knew that organized crime figures were working with the CIA to assassinate Fidel Castro.

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It is not surprising that this an-niversary is bringing forth a rash of biographies in which he is described as a hero to both the left and the right.

But Robert Kennedy's personal story reaches so close to the national core that it may live on as long as the country does. It is a version of the old legend of

giving Indonesia its best shot at finding -THE WASHINGTON POST. When Robert Kennedy's admirers a knight who purifies himself through great suffering to prepare for a holy

quest. Burdened by grief over his broth-

er's assassination, and perhaps a fear

that his own complicated relationships

with the mob might have somehow led

to it, he searched for a purpose that

could transcend regular politics, and that cause became racial justice. The attorney general who wiretapped Martin Luther King's phone became a presidential candidate who lectured students about the unfairness of a draft that took poor blacks to war and left middle-class whites to study in comfort. The great tales about the later Robert Kennedy, the one who had changed and been purified, were almost always about poverty and race. "What the hell would you do if you found out that God was black?" he

university in 1966. There is no shortage of Kennedy contrarians who scoff at the legend. who point out that the Robert Kennedy who was supposed to be about people. not politics, had no qualms about allowing Eugene McCarthy to take the i-war candi big-footing it into the race after Mr. McCarthy demonstrated that Lyndon

asked white students at a South African

Johnson might be vulnerable. The record of John Kennedy's administration has taken a beating on many fronts, and may be tarnished further. But the idea of what happened to Robert Kennedy during the last five years of his life supersedes all that. His legend says that the end of America's own story must be a joining of black and white, but that this great purpose cannot be achieved without enormous struggle and pain. That is the gift of his unlived presidency.

-THE NEW YORK TIMES

Doctor-Assisted Suicide

Attorney General Janet Reno has judgment about the right to die should made the right call in preserving the right of Oregon residents to seek physician-assisted suicide. Oregon voters resoundingly affirmed their support for the state's Death With Dignity Act by a 60 percent vote last November. The Oregon law allows a terminally ill adult to request a prescription for lethal drugs if he or she is of sound mind and is judged by two doctors to have less than six months to live.

After several months of review, Ms. Reno has concluded that federal law does not permit prosecution of a doctor who complies with the Oregon law. Her decision is in line with the sentiment of the Supreme Court. Although the high court ruled that there is no constitutionally protected right to assisted suicide, it said states must be free to engage in the "profound debate about the morality, legality and practicality" of this issue. Oregon voters have engaged in that debate, and their

not be subject to federal interference. Unfortunately, leaders of the rightto-life movement are seizing on the assisted-suicide issue as they have on abortion. Representative Chris Smith of New Jersey, a vociferous opponent of abortion rights, has said there will be efforts in Congress to undo Ms. Reno's decision on the Oregon case. As in the reproductive rights arena, conservatives who otherwise oppose federal control are eager to substitute their moral judgments for those of local voters when the outcome is not to their liking.

The nation is beginning to grapple with an individual's right to control how a life ends. A national poll last fall showed that 68 percent of respondents supported physician-assisted suicide. Oregon's law is likely to be replicated in other states. Ms. Reno's decision allows voters in all states to act according to their values.

- THE NEW YORK TIMES.

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Odd Look-Alikes: Oppressors in Turkey and Iran [EW YORK — It is an odd conjunction of opposing political culs. Turkey, the emblem of secular ernance in the Middle East, and that in that in

NEW YORK — It is an odd conjunction of opposing political cultures. Turkey, the emblem of secular governance in the Middle East, and Iran, the heartland of Islamic fundamentalism, are both resisting powerful internal political movements by prosecuting the mayors of their largest cities, Istanbul and Tehran.

Istanbul's mayor, Recep Tayyip Erdogan, was recently convicted of inciting hatred in a speech last year. Tehran's mayor, Gholam-Hossein Karbaschi, just went on trial on corruption charges. The two men are being pursued less

for what they said or did than for what they represent, which is a strong desire among their countrymen for a more inclusive, less rigid brand of politics. In attacking the mayors, the rulers have shown a potentially fatal inability

to practice moderation in politics. The defenders of the faith in each

that in their unyielding pursuit of con-formity they only strengthened and radicalized the popular causes they feared and tried to suppress.

In both prosecutions, the legal battle is just a skirmish in a broader struggle between ruling authority and a growing political opposition. In both cases, the mayors represent an opportunity for peaceful change that should not be lost.

The rulers of Turkey and Iran would acknowledge no common thread. If anything, they would maintain that the two cases show how different the countries are. The generals who wield real power in Turkey are determined to snuff out any Islamic political activity, fearful that it will undermine their secular state and even lead eventually to an Iranianstyle revolution. The clerics who run Iran are intolerant of civil authority and nation will likely discover someday see it as a threat to the Islamic code.

I saw this tendency when I visited Turkey and Iran last fall. A Turkish general who denounced his country's main Islamic political party was just as intransigent as a cleric in Tehran who opposed reform.

Although the two nations view each other as political antagonists, and their handling of religious matters could not be more different, the Turkish generals and the Iranian clerics are allergic to genuine democracy. The generals are secular fundamentalists, the clerics Is-

lamic fundamentalists. Mr. Erdogan's offense was not that he sowed discord but that he was a leader of the Welfare Party, the Islamic political organization that drew the largest number of votes in parliamentary elections three years ago. The party briefly governed Turkey in a coalition,

vote against the clerical stranglehold in Iran. Whether the mayor embezzled city accounts as charged may never beknown. Mr. Khatami's opponents went after the mayor to weaken the president and his reform program.

Last November, when I boarded and Iran Air jumbo jet for the flight from Istanbul to Tehran, I thought I was about to traverse a vast political expanse. The differences of culture, language and history are indeed great. But after a few days in Tehran, I found that the politics of exclusion and commiwere not that dissimilar.

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It is a pity, for the people of Turkey and Iran have the energy and heart to fashion democratic societies, if only they had the chance.

The New York Times.

Ignore the IMF and Bring Interest Rates Down in Asia

HONG KONG — This time, Malaysian Prime Minister Mahathir bin Mohamad has it right. Asia (excluding Japan) is being crippled by extraordinarily high interest rates that threaten to turn a necessary short, sharp recession into a depression. Policy must be

changed, regardless of the IMF. Mr. Mahathir may see conspiracies of foreign capitalists. Koreans like Kim Woo Choong, founder of Daewoo. may see a Western desire to cripple South Korea's industrial challenge. Many in Asia may see a United States using the sudden withdrawal of Western capital as a lever for its trade and investment policies.

But there is no need to look for such ulterior motives. Shortsighted stupidity is as good an explanation as one will find for the march toward depression.

This is not the time to be reexamining the causes of the crisis or apportioning blame. It is time for action to bring down rates everywhere.

in almost every economy in East Asia, real (inflation-adjusted) prime lending rates are well

South Korea and Thailand, the countries where the IMF has had most impact, they are in

double digits. The collapse of domestic demand around the region has stunned even the more pessimistic forecasters. GDP estimates are everywhere being slashed, for 1999 as well as this year. Yet the position of the IMF seems to be that this shows that the countries which take its medicine are

responding correctly. Take the latest letter of intent issued in connection with the Fund's support for Thailand. It now envisages that tight monetary policy will result in a current account surplus of 7 percent of GDP this year. Such a huge surplus can be viewed as desirable only if priority is given to repaying short-term loans made by imprudent, and not infre-

quently corrupt, foreign banks. The surplus is possible only because of a collapse of local demand and hence of imports. Is that really what is good for Thai-

land and its trading partners? The same applies in South

By Philip Bowring

running at \$3.5 billion a month despite flat exports. If this continues, its current account surplus could hit 10 percent of GDP. while the economy as a whole

contracts by at least 5 percent. Interest rates of around 20 percent are supposed to bring currency stability and induce corporate reform. But by collapsing domestic demand they have impaired the viability of many of South Korea's largest companies, and thus their ability to continue borrowing from for-

eign banks and credit markets. Reducing chaebol leverage is a desirable long-term goal, but even in the best of circumstances it could only be achieved slowly. It is almost impossible at present, when all corporate cash flow has to be devoted to interest payments.

It is impossible to imagine any Western government imposing the kind of monetary policies now being faced in much of Asia.

They would be understandable if there were strong inflationary pressures or large fisabove 5 percent. In the cases of Korea, Its trade surplus is now cal imbalances. In fact, apart account surpluses now deemed

from the one-off impact of de-necessary for currency stability. valuation, inflation is nowhere to be found. Deflation is everywhere. Prices of everything except money have collapsed. Fiscal deficits are still tiny.

If it were just one country suffering a severe recession, very tight policies might not matter to others. But regional decline is self-reinforcing.
South Korea and now China

are hurting because of the collapse of their important Asian in the global trend toward capi-export markets. The wells of talism." Not only does he foroverseas Chinese capital are get the still reverberating U.S. everywhere drying up as liquidity problems are transferred from one country to another.

Hong Kong and China have to keep interest rates high to protect their currency pegs to the money flows. dollar. Even in Malaysia, with its relatively small foreign debt. Mr. Mahathir's hopes of interest rate cuts are running into opposition from a central bank mouthing IMF orthodoxies.

Lower interest rates are not a cure-all. Huge investment mistakes have been made and must be paid for. But crippling rates are driving viable businesses to the wall to achieve the current

tions against cronvism can

change the fact that he and his

family have been deeply en-

gaged in business dealings with

Mr. Suharto's family. Students

are calling for an investigation of

Mr. Habibie's fortune. His initial

response, a drawn-out investi-

gation by the attorney general,

will not satisfy critics for long.

The IMF pretends to be a lender of last resort, and dictates policies as if it were. But it has neither resources nor the will to require major shareholders to address the international problerns caused by their banks in the name of open capital markets.

And Western hubris is growing. Even the normally sensible Alan Greenspan has opined that "the Asian crisis is a milestone savings and loans debacle, he seems unaware that many in Asia see the crisis as that of the form of capitalism espoused by

Mr. Greenspan — unrestricted Asian resentment of Western prescriptions will escalate dramatically if output keeps falling. For everyone's sake, countries should start now to mitigate recession by reinvigorating domestic demand, whatever the views of the IMF or of the fashion houses of finance, the foreign investment

banks. Keynes or common sense will do better.

First, Habibie Has to Restore the Indonesian Economy

WASHINGTON — Expectations about Indonesia's as a clone of former President Suharto, chosen by Mr. Suharto for loyalty rather than ability, in the belief that he would protect the extensive business interests of the Suharto family. International financial markets and many Indonesians view Mr.

stinctively resists reform. Yet in his first few weeks in office he has sought to defy these expectations by energetically trying to set a course for political and economic reform. His actions may have been motivated by necessity and selfpreservation, but they reflect an zation, to former cabinet minappreciation of the new Indone-

Habibie as someone who in-

sian realities. Mr. Habibie has accepted the He signaled his openness by meeting immediately with opposition figures and by starting

new president, B. J. Habibie, are The government recognized the matized ethnic Chinese minor-Labor Union led by Muchtar Pakpahan, and promised to sign key International Labor Orga-

nization conventions.

Mr. Habibie has not succeeded in forming a broadbased official council to guide political reform, because reformers are reluctant to publicly commit to his leadership of the process. He has, however, begun meeting informally but reg-ularly with a group of credible public figures ranging from the oppositionist Amien Rais, who heads Indonesia's secondlargest Muslim social organi-

ister Emil Salim. The new president has revealed the general outlines of a political necessity of reform. reform program leading to open elections next year.

In an effort to win back the accept in recent months. business and investment of Into release political prisoners. donesia's influential but trau-

ity he visited riot-rayaged Chinatown to reaffirm his govemment's support for a policy

By David G. Brown

of interethnic harmony. Mr. Habibie has committed himself to economic reform and cooperation with the IMF. Jakarta has no choice but to take this course because it urgently needs access to the \$43 billion loan package that the IMF ef-

fectively controls. He appointed a competent cabinet economic team, which retained key officials led by the coordinating minister for economics and finance, Ginandjar Kartasasmita, but replaced discredited cronies of Mr. Suharto with credible technocrats. He appointed a panel of economic advisors, including the respected Widjojo Nitisastro, whose advise Mr. Suharto chose not to

But this positive start does not

Mr. Habibie has almost no political base on his own. He is mistrusted by many of the emerging reformist leaders, who suspect that he is manipulated from behind the scenes by Mr. Suharto. Continued military support is

the key to Mr. Habibie's survival. If circumstances show that he is not useful to the armed forces in maintaining order and carrying out the kind of measured reform they favor, they will see him as expendable. Even now, they probably view him merely as a transitional leader.

The precarious state of the economy, made worse by the recent rioting, could provide the pretext to bring Mr. Habibie down. His immediate problem is to restore the supply of daily necessities and stop the slide into poverty of the world's fourth most populous nation. That task is even more urgent than political reform.

Inflation is spiraling out of control and could exceed 100 percent this year. Recession is deepening, and unemployment is rising at an ominously fast pace. Even with rapid economic

Mr. Habibie's liabilities are le- reforms and heavy foreign asgion. He is tarred with the legacy sistance, Indonesia faces a bleak of the now disgraced Mr. future that will be fertile ground Not even concrete ac- for attacks on Mr. Habibi whoever should follow him.

By asserting that he will oversee political reform, he is trying to buy time as he positions himself between those from the Suharto era who wish to preserve their waning influence, and potential funire leaders pressing for change and power. He is mistrusted, but he offers a prospect of change.

The lack of consensus on details and goals of political reform is a major problem for Indonesia. But it is a factor that Mr. Habibie may use to his advantage in a balancer's role. The magnitude of the country's predicament may incline opponents to give him time.

Yet he could be forced out quickly for personal mistakes or due to economic collapse or a shift in public sentiment.

He does have a chance of lasting until elections. Students have called for his removal, but Mr. Rais has signaled a willingness to give him a chance.

Mr. Habibie's prospects de-pend heavily on his ability to convince skeptical Indonesians that he can improve their economic conditions while playing the role of a transitional leader overseeing a process of genuine political reform.

The writer, a former U.S. diplomat, is a senior associate at . the Asia Pacific Policy Center in Washington. He contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: War Reporters

PARIS - [The Herald says in an Editorial:] Very few people ever give a thought to the dangers run by newspaper correspondents in time of war. The peril is often great. Our corres-pondents in the Philippines indirectly give a glimpse of all this in their despatches. In a matterof-fact way, Mr. Stickney tells of the difficulties he encountered in trying to approach the Span-iards, of the "zip" of the Mauser bullets hitting the water around his boat, of the way the Spaniards fired upon him and a group while he was photographing.

1923: Soviet Memorial

PARIS — [The Herald says in an Editorial:] The Soviet Gov-ernment has authorised an open competition among Communist sculptors for a monument to the late President Sverdloff, who was at the head of the Soviet

Legislature at the time of the Tsar's murder, to commemorate the services rendered to the revolutionary cause by Sverdloff as the "initiator" of the Romanoff massacres. To make the memorial striking, it is to be set up in front of the house where the Tsar, his wife and four daughters and only son were put to death.

1948: Lumière Dies

PARIS - Louis Lumière, 'grand old man' of French scientific invention, constructor of the first cinema projecting apparatus and first maker of photographic color plates, died Sunay [June 6] at his villa on the Riviera. He was eighty-four years old. It was three days after Christmas in 1895 that he and his brother gave the first public exhibition of motion pictures in Paris. Later in life Louis Lumière was fond of remarking that it was Hollywood that had turned his 'toy'' into an industry.

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Emerging Support for the New President

S YDNEY — Two broad new political groups are emerging in Indonesia with substan-tial middle-class support. One as Western pornography and is Islamic, the other secular. In a country with a population of more than 200 million in which Semitic, anti-Chinese and in-Christian, Hindu, Buddhist, tolerant of other religions, in-Taoist and other minorities coexist with a Muslim majority, religion.
religion provides an important When Mr. Rais addressed a

cleavage line in politics. group. Its most surprising aspect is that it now fully backs the government of President B. J. Habibie. Mr. Rais has gone from being a courageous and out-spoken opponent of the Suharto regime to being the strongest

supporter of its successor. Is Mr. Habibie then the democrat that President Suharto was not? Hardly, when half of his cabinet was retained from the last Suharto cabinet. There is real talent among them, but they have by no means dis-

avowed the past. Why has Mr. Rais, the democrat, thrown his weight behind Mr. Habibie? Because Mr. Habibie, former head of the Indonesian Muslim Intellectuals' Association, is seen as an Islamic president.

Suddenly prominent among the emerging Islamic group is KISDI, the Indonesian Committee for Islamic World Solidarity, led by Achmad Sumargono. For several years KISDI and its associated Dewan Dakwah missionary organization have been vociferous but mardemonstrations on issues such By Gerry van Klinken

gambling, but also on causes that to the outsider appear anticluding the Javanese mystical

eavage line in politics. recent meeting in Jakarta that Arnien Rais heads the Islamic included 10,000 representatives from 44 Islamic groups, he urged people to cease attacking Mr. Habibie's government and give it time to show what it could do. Other speakers promoted the idea of an Islamic political party. KISDI's Mr. Sumargono yelled out, evidently to the approval of those present: "Islam yes, Islamic party yes."

The secular group is clustered around Emil Salim The secular and Nurcholish Madjid. Mr. Emil is a former cabinet minister who stands for market-oriented reform. Mr. Madjid is an Islamic intellectual of the tolerant kind who has long said, by contrast to Mr. Sumargono, 'Islam yes, Islamic party no.'

The secular group initially placed itself in opposition to the Habibie government. But it recently toned down its opposition and renamed itself the Counterweight Group, presumably because it does not want to alienate itself from Mr. Habibie by being overly confrontational. Why has this secular group

softened from being an oppo-

sition force to one that is merely

sons. One stems from a remark by Mr. Madjid that Mr. Habibie is now seen by many in Indonesia as an Islamic president. If moves were made to unseat him, which would in fact not be

difficult to do, then his Islamic

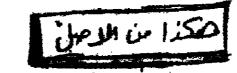
supporters would not only de-

fend themselves, they would attack, Mr. Madjid warned. That in turn, he fears, would trigger a possibly bloody takeover by the army, which is determined to block moves to replace Indonesia's secular state with an Islamic regime.

The other reason has to do with Mr. Salim's links to economic policymakers. Many economists and senior officials plead for concerted action and national cohesion to stabilize the rupiah. The powerful commander of the armed forces. General Wiranto, also wants priority given to economic re-covery. The military dreads the prospect of 18 months of freefor-all politics.

Confident of support from Mr. Rais, Mr. Habibie has moved to embrace the secular group by coopting several leading technocrats into an important economic advisory council. If these are to remain the two main political groups in post-Suharto Indonesia, it is likely that Mr. Habibie will stay in

office for some time yet. The writer lectures in Southeast Asian Studies at Sydney University and edits Inside Indonesia magazine. He contribginal. KISDI has organized a corrective to the Habibie ad- uted this comment to the Inministration? There are two rea- ternational Herald Tribune.



OPINION/LETTERS

Turkey and Iran NATO Needs to Keep Out

By Frederick Bonnart

BRUSSELS — Once more, terms of Yugoslav and allied casmiserable groups of old ualties. The outcome would be people, women and children stream down Balkan mountainsides, fleeing their burning homes. With Bosnia fresh in the mind, calls for NATO action in Kosovo are becoming more strident.

A number of immediate measures were agreed upon at the recent meeting of the alliance's foreign ministers, and further options are under examination. NATO Secretary-General Javier Solana has said repeatedly that "nothing is ruled out."

But one thing should be ruled out: an armed incursion by the North Atlantic Treaty Organization into Kosovo.

Rates Downin 4 The comparison with Bosnia is erroneous and dangerous. In Bosnia. Muslims were defending themselves against murder and expulsion by well-armed Bosnian Serbs. In Kosovo, the self-styled army of liberation is fighting the regular Yugoslav military in an attempt to break away from Serbia. A NATO incursion would be seen as support for that movement - something else again from stopping mass murder.

The postwar European settle-ment was determined by the 1975 Final Act of the Helsinki Conference on Security and Cooperation in Europe. This rests on the maxim that frontiers will not be changed by force. The Federal Republic of Yugoslavia, consisting of Serbia and Montenegro, is a legally recognized country with internationally accepted borders. Kosovo is a province of Serbia. whatever the so-called ethnic

composition of its population. Breaking or circumventing this maxim would be extremely dangerous. It would be opposed by other parties to the Final Act, Rus-🎭 sia in particular. It would also open a Pandora's box in the ethnically intermingled Balkans.

There is also a practical aspect: An attack by NATO in Kosovo would be countered by regular Yugoslav troops. Unlike the ragtag forces of the Bosnian Serbs, this is a disciplined and well-organized force that would essential. be defending its homeland against

external aggression.
Although NATO could undoubtedly raise a larger and technically far superior force, an at-

ualties. The outcome would be uncertain; it could well become NATO's Suez.

In fact, neither the will nor the means for such action exist in the alliance. The U.S. Congress is attempting to reduce military com-mitments overseas. All European allies are streamlining their forces and shaping them for rapid deployment to crisis points rather than for engagement in a massive, possibly drawn-out, conflict.

Nevertheless, the Kosovo crisis must be faced. In addition to the increasing exodus of refugees, the danger of the conflict's spreading to neighboring countries is evident. It could draw in Albania as well as Macedonia and Bulgaria, which have sizable ethnic Albanian elements, in addition to Greece and Turkey.

As immediate measures, NATO will begin helping Albania reconstitute its army and will organize peacekeeping exercises in Albania and Macedonia, It is also sending a naval force to the Albanian port of Durres, and an airborne warning and control detachment is to move to Macedonia this week.

Further options include deploying NATO forces along the Albanian border with Kosovo, reinforcing the small UN force in Macedonia and establishing a nofly zone, similar to that enforced er Bosnia.

But an incursion into Kosovo is not under consideration, and suggestions that one is are dangerous and harmful. As long as intervention appears a possibility, it raises expectations that cannot be met and that can result in actions by the Kosovo Liberation Army that would cause further bloodshed.

President Slobodan Milosevic of Yugoslavia is rightly detested for the havoc he has caused with his policies and actions. He should be made to respect the rights of individuals and minorities. But methods and organizations other than NATO exist and action by them is now

The writer is editorial director of NATO's 16 Nations, an independent military journal. He coniributed this comment to the Intack could be extremely costly in ternational Herald Tribune.



LETTERS TO THE EDITOR

Headstrong French

Regarding "Pilots" Walkout. No One (Especially the French) Should Be Surprised" (June 4): France doesn't care what anyone else thinks? So what else is

Given this, how can anyone expect the euro to succeed? How can an enormously complex and risky joint venture of 11 partners work if one of the two most important partners will generally do exactly what it wants and if what it wants is determined by narrow, nationalistic

The British, Swiss and Scandinavians are wise to stand aside from this shaky house of cards. But in or out, all risk getting caught up in the economic and social maelstrom that is likely to engulf Euroland a few years down

FRANK PEEL Geneva.

Shop-Floor Reform

Regarding "Nike's Reforms' (Editorial, May 19):

The editorial correctly stresses the role of independent monitors in ensuring that corporate pledges are translated into shop-floor practice. Indepen-dent monitoring by uself, however, is not sufficient to ensure respect for minimal worker rights and occupational and environmental health and safety

standards. No independent monitor can substitute for the independent organization of workers through their trade unions, which must be represented on the monitoring bodies for these to meaningfully do their job.

Now that the promulgation of corporate codes of conduct — often by companies with atrocious records on worker rights - is becoming a growth industry, consumer attention should be drawn to the need for independent trade unions to be guaranteed the right to organize.

Codes of conduct without guarantees of trade union rights are marketing ploys, pure and

RON OSWALD.

The writer is general secretary of the International Union of Food Workers.

Colorado Whining

Regarding "A Drop of Wine, a Lack of Sense — and How" (Meanwhile, June 5) by Richard

I had to shake my head in amazement when I read that a Colorado school principal had been demoted because he allowed a group of teenagers to have a sip of wine with a meal during a class trip to Paris.

How can someone who declares that "the laws of that country" - France - "mean nothing to me" be superintendent of a school district?

What did he send the youngsters to France for in the first place — to have Big Macs, Coke and visit Disney-

> P. ARMSTRONG-SEE. Grevinge, Denmark.

Letters intended for publica-tion should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We can-not be responsible for the return of unsolicited manuscripts.

Theatrics of the Masses, For All the World to See

By Sunanda K. Datta-Ray

Someone who cannot cope with anything more energetic than jumping to conclusions, I know that football is theater of the masses. It could also be their opiate, judging from a little-noticed riot that broke out in Jakarta at the height of the political crisis be-

cause the favorite East Java team, Persebaya, lost to West Java's

MEANWHILE

Tangerang.
This may surprise those who think of the World Cup matches in France in terms of English hooliganism and Latin artistry. Only four Asian countries are taking part, but Asians are by no means indifferent to the drama of dribble, feint and pass.

Not only do 70 percent of the world's footballs come from Sialkot in Pakistan, but the game is believed to have originated from China's tsu (kick) chu (a stuffed leather ball) 2,500 years ago, and from the somewhat similar Japanese sport, *kemari* .

If football, or soccer, is seen as Europe's gift to the world. Asia got its own back two years ago when Far Eastern syndicates were accused of fixing English matches.

This is the political dimension I grew up with in Calcutta, a city that has never forgotten a heady July afternoon in the high noon of empire when barefoot Bengali lads of the local Mohun Bagan team humbled booted British soldiers of the East Yorks regiment.

The story goes that as the victory procession stomped through the streets of what was India's capital in 1911, fans urged the players to storm Fort William, the British citadel that dominated Calcutta. Goshto Pal, who played in that celebrated match, is the only sportsman to be honored with a statue in the intensely

politicized city. The link with nationalism is established in Britain, where England-Scotland matches resonate to "Flower of Scotland," a song celebrating the 14th century battle of Bannockburn, a rare Scottish victory over England. More recently, Britain set another precedent by choosing a foreigner as Footballer of the Year for the fourth successive season, a Dutch striker this time. Football is na-

CINGAPORE - Even for tionalism at its fiercest, but its free-for-all competitive spirit knows no borders.

The paradox was highlighted for me in a Singapore pub in 1994 as the rhythmic chant of "O... lé!...O... lé!" exploded into a fullthroated roar when the guest play-er Abbas Saad, an Australian of Lebanese descent, shot the ball, between the posts to win Singa-

pore the coveted Malaysia Cup.
Of Calcutta football's big three clubs, Mohun Bagan represents the metropolitan ethic while East. Bengal celebrates the sturdy spirit. of the districts that now make up, Bangladesh. The third, Mo-i. hammedan Sporting, stands for the sectarian loyalty that its name. indicates.

Yet universalism, rather than parochialism, is football's hallmark. Even ethnically exclusive Japan lowers the race barrier when it comes to kicking a ball. An Austrian manager and a striker from " Cameroon make the Gamba Osaka club dazzlingly cosmopolitan. Nigerian, Sudanese and

Brazilian players have not (vet) diluted the dogged Bengali iden-tiv of Mohun Bagan and East Bengal, but a Bangalore liquor, king now owns both clubs.

As a character in "Football," a popular play by the Calcutta theater group Nandikar, says: "I can't play. I can only watch." So I .. savor the excitement of football.

Cricket is regarded as India's game; golf excites Japan; Hong Kong goes mad over racing. But football is politics and passion, commerce and conspiracy, sham-ateurism and syndicates. It is also a spectacle of skill, strength and stamina in which boys become men and men can be boys to their. hearts delight.

With so much going for the game, I am waiting now for a footballer to make it to the top of the political pedestal. If Joseph Estrada, a former movie actor, can become president of the Philippines, why not Romario for head, of state in Brazil? It would be, sweet revenge for being axed from the World Cup team.

The writer, a former editor of The Statesman newspaper in India, is now an editorial consultant with The Straits Times in Singapore. He contributed this comment to the Herald Tribune.

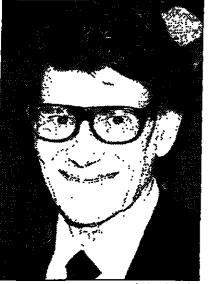




Pierre Berge, couture president.



Alber Elbaz, Rive Gauche designer.



Yves Saint Laurent stays at couture.

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A New Generation In Ready-to-Wear

Alber Elbaz Gets Aboard at YSL

By Suzy Menkes International Herald Tribune

ARIS — In appointing a new, younger designer to beef up Yves Saint Laurent's Rive Gauche ready-to-wear, Pierre Berge, president of Yves Saint Laurent couture, is following a path already beaten by other French couture houses — but with three important differ-

First, Saint Laurent is still around and the impetus came from him: He wanted out of the ready-to-wear after 32 years of designing both that and haute cou-ture. Second, the chosen designer, the smart and kooky Alber Elbaz, will work only for the house and not for his own line. Third, it sets in motion a train of events that will unroll as the time comes for Berge himself to depart in 2001, when he will be 70.

When the French beauty and pharmaceutical giant Sanofi SA, a subsidiary of Elf Aquitaine, bought the YSL business five years ago, it signed a limited contract with Berge, giving Saint Laurent an option to stay until 2005. But the situation is further complicated because Sanofi is known to be considering off-loading its beauty business, as it did with Nina Ricci, and YSL might the-

oretically be sold in the interim.

Berge reiterated Saturday his previous statement that there is no question of any other designer taking over haute couture, which will be shut down if the designer so chooses. The current move, he says, is designed to "protect and comfort Yves," who will be 62 on Aug. and allow him to concentrate on his first love: couture.

Although Saint Laurent was the first couturier to focus on ready-to-wear and put the Rive Gauche line at the crest of the new fashion wave in the 1960s, for the last three seasons he has been showing capsule collections to a handful of journalists. He was not prepared to take on again the stress and drama of a major show to capture media attention.

"I also wanted to give some new blood to the house," said Berge, who had already appointed a menswear designer two years ago and seen the bolstering effect of a young take on the rich

For Elbaz, who turns 37 this week and

YSL patrimony.

who has signed a three-year contract, it is an exceptional, if daunting oppor-

Born in Casablanca (and therefore sharing Saint Laurent's North African connection), the designer was reared in Israel and is a graduate of its Shenkar College of Textile Technology and Fashion. He was trained in New York during seven years with Geoffrey Beene, one of the rare American designers to work to couture standards.

Elbaz was taken on two years ago by the French house of Guy Laroche, which gracefully paid tribute to the designer's talent and dedication on Saturday - and wished him luck.

"For me, this isn't a career move, but the realization of my life's dream," Elbaz said to Berge. Those words, along with his ebullient personality, appetite for work and technical skills learned from Beene, endeared him to Berge. He attended the most recent Laroche fallwinter show, when jaunty, but relatively classic and wearable clothes were presented at an ice-skating rink.

Under the terms of his departure, which will not take place until after he presents a spring-summer line for Laroche in October, Elbaz cannot discuss his new role. But friends say that the decision was made after much anguish in discussion with Ralph Tole-

dano, president of Laroche.
"I am very sorry he is going, but I am proud that I found him — that I went after an unknown," Toledano said, referring to the star system at conture houses that have courted media publicity by taking on big-name designers who keep their own lines.

OWEVER, there are some clouds of doubt in this sunny scenario. Berge admits that Elbaz has been appointed without meeting Saint Laurent and that he will work not alongside the designer, but in a studio adjacent to the couture house. Sources at the house, where a studio team will produce the October collection, say that Saint Laurent has distanced himself from the new appointment. However, the success of Hedi Slimane as Saint Laurent's menswear designer, should be a good omen for

This change at the heart of the French



Carla Bruni in bird dress from Saint Laurent's 1988 cubist collection, and. inset, velvet bolero and taffeta skirt from 1976 Ballets Russes collection.

taking a new form. Laroche, now forced to find another designer, joins the houses of Balmain and Nina Ricci. which are searching for new talent. All are insisting that the designer be fulltime, relatively low-key and take reasonable paychecks. The era of the megastar mercenary, sent in motion by Karl Lagerfeld when he was taken on at Chanel in 1983, is definitely over.

The concept of a Gucci-Prada merger which sent shock waves through the fashion world last weekend is not on according to Domenico de Sole.

Gucci's president. "I do not need them - we had an

fashion world suggests that the game of designer musical chairs that has been going on throughout the 1990s is now the 5 percent stake his archival, the Italian bag and shoe company Prada, has

> taken in his company. Patrizio Bertelli, husband of Miuccia Prada and the company's CEO. described the acquisition as "a financial investment, but did not explain why he had sunk more than \$120 million into Gucci. Miuccia Prada said Monday that it was a desire to "diversify our investment" - and Gucci was chosen because it is an area in which the company is knowledgeable.

> A Morgan Stanley analyst said Monday that it was unlikely that Prada 'could or would launch a bid for Gucci," because it is a smaller company whose balance sheet probably could not support such a major acquisition."



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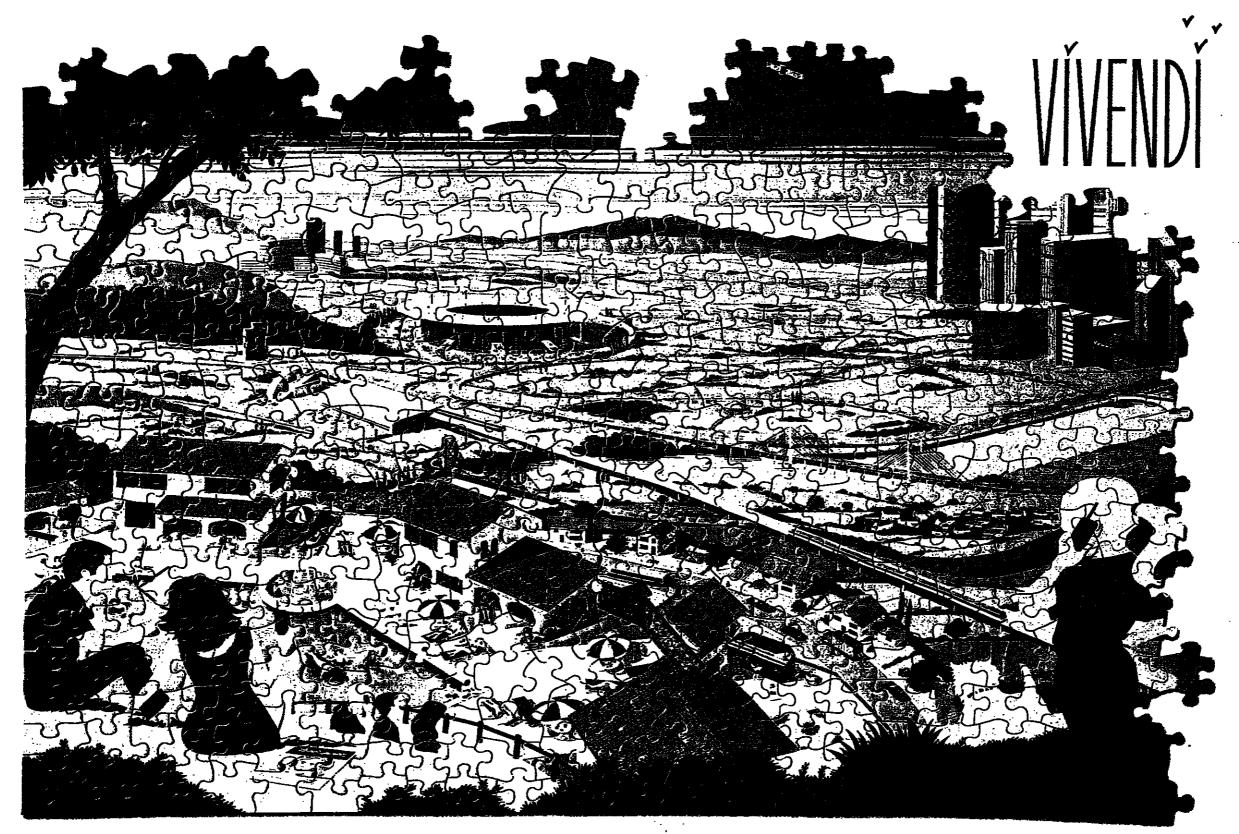
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THE STREET STREET

Hebry Hosel her

The perennial tuxedo, launched in 1966, in its 1995 version.



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Saint Laurent Sunny Side Up for World Cup Spectacular

By Suzy Menkes International Herald Tribune

ARIS — Yves Saint Laurent is no longer in or out. He is beyond

Wednesday kicks off the monthlong fest that will lead to the apotheosis of the designer's 40-year career: the largest fashion show in a global universe, before 80,000 spectators and an estimated television audience of 1.7 billion.

Saint Laurent has been asked to stage a 12-minute parade at the final of the World Cup soccer championship on July 12 - altestament to the 61-year-old French designer's status and a recognition of his revolutionary aesthetic that fused mae and female style and has marked the fashion century.

And there is another reason the habitually anguished designer suddenly seems to be turning sunny side up.
On Saturday, the house of Saint

Laurenmanounced that it was taking on a new designer to lift the burden of the ready-p-wear shows from the couturier's frigile shoulders. Alber Elbaz, 36, formery with Guy Laroche, will take over fbm spring 1999 the Rive Gauche collections that initiated couture readyto-wer in 1966.

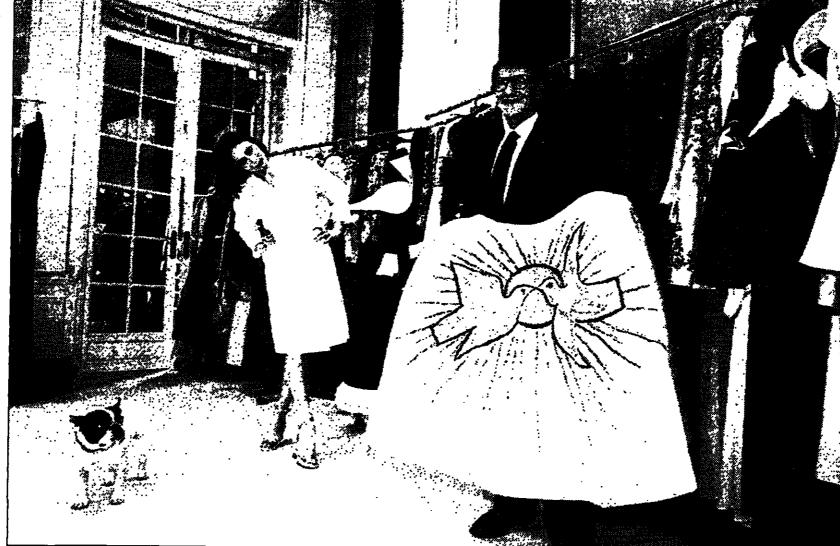
Win the prospect of designing only July haute couture, and after a holiday in Marakesh, where his broken arm has heald. Saint Laurent gives a half-moon smill as he surveys four decades in the

salo of his couture house.
T's my life," he says of the bird of paraise feathers, the patchworks of velet, the brocade coats, smoky chiffon and leek tuxedos.

do feel emotional," he admits. "It I don't feel pride as much as surise, when I see all this and I think it is half my work, because it barely incides the daytime clothes." pivided into different sections, from

oart, through the exotic to the linear ai classic, the outfits have been chosen texpress creative highlights, like the pmetric 1966 dress inspired by Piet ondrian and the fireworks of color in 1976 Ballets Russes collection first time, the designer says, that he etched entirely with colored pencils. What would he like the World Cup

ent to express? "I want this show to make people eam — but I would also like them to nderstand how much work it repreents," he says. That includes six hunred hours of handwork that went into ae jacket embroidered with van Gogh's 'Sunflowers' — a witty 1988 take on ne record price paid for the painting. To rove that it is not just a museum piece. outure client Mouna al Ayoub walked



Yves Saint Laurent in his salon, surrounded by the World Cup show outfits, holding the sun-ray cape of 1988 and watched by his dog Moujik.

in last week and ordered its companion: the van Gogh "Irises" jacket.
"I am sure we could make an entire

new collection by choosing judiciously, said Pierre Berge, Saint Laurent's often acerbic partner, now in benign mood. There is a museum atmosphere, as a

team of fashion experts pours reverently over the detailed archives that include, in Berge's words "every sketch, every button, every reference to every button." Staff members even don white gloves before daring to touch a cape with a sunburst of embroidery or a jacket with a harvest of grapes at the shoulders. By 2000 all will be housed in specially constructed premises in the La Villette area of Paris.

Yet when Carla Bruni slips into one of these living monuments — a white dress shaped like the birds of Georges Braque — it looks as lyrical and playful as if it had been designed today. It will be hard for the TV audience to believe that some designs are 30 years apart.

And if he could choose only one single outfit? "A tuxedo, because it corresponds to a modern woman," Saint Laurent inevitably says.

Yes, the designer admits, he was aware of the rumbling social, sexual and political changes when he put women into broad-shouldered trouser suits, pea coats, leather blousons and safari jackets - and when he opened a boutique on the fermenting Left Bank in 1966.

"1968 was a year of change and the year of the pants," says Saint Laurent. The result was clothes that, in Catherine Deneuve's words, helped newly liberated women to "confront a world of strangers.'

thin suit ... not really part of the world-

remember — they chose themselves.

Occasionally the designer will open a

struck, he says, looking round the salon,

by the explosion of color in his work.

Some inspiration comes from the art - a

Picasso, Matisse or Velazquez on the

he was something within himself."

Berge states the case more precisely: "I have always said that Chanel gave women liberty in fashion — and Yves gave them power," he says.

Saint Laurent's once revolutionary daytime silhouette is so established that he did uniforms for the 3,500 personnel for the World Cup.

Yet his work is not just about practical dressing but also about an artistic, interior vision. Diana Vreeland, the iconic American Vogue editor who inspired spent in Oran, Algeria, or from his discovery of Marrakesh. "Algeria was noncolor — the women were veiled in white," he says. "But in

Marrakesh, the colors of the djellebas are so extraordinary — sometimes you see bunches of them and you could swear they grouped themselves like that deliberately

walls of his apartment. He looks at books. But sometimes ideas bubble up from

memories of a North African childhood

The 1940s-style collection of 1971 was triggered by a flea-market dress worn by Paloma Picasso, but it stirred earlier memories.

"I was a little boy, my mother was going off dancing at an American Air Force base and someone lifted me up and I looked through the window and watched her," he says. "The dress was black jersey with a bouquet of flowers

I can see it in front of me still." One of Saint Laurent's mythic pronouncements (along with wishing he had invented blue jeans) is the idea that all a woman needs to look chic is a rollneck sweater and a pair of pants.

"Black pants," he insists. "And yes, it is still valid — of course you change the proportions of the pants - and I do, although you may not notice!"

Behind the reserved manner lies a beguiling sense of humor. Is he interested in the soccer? A raised eyebrow and a sweet clown's smile: "I am more for tennis." What about the coming couture collection? Another weaker smile. "Ca ira - we'll get there."

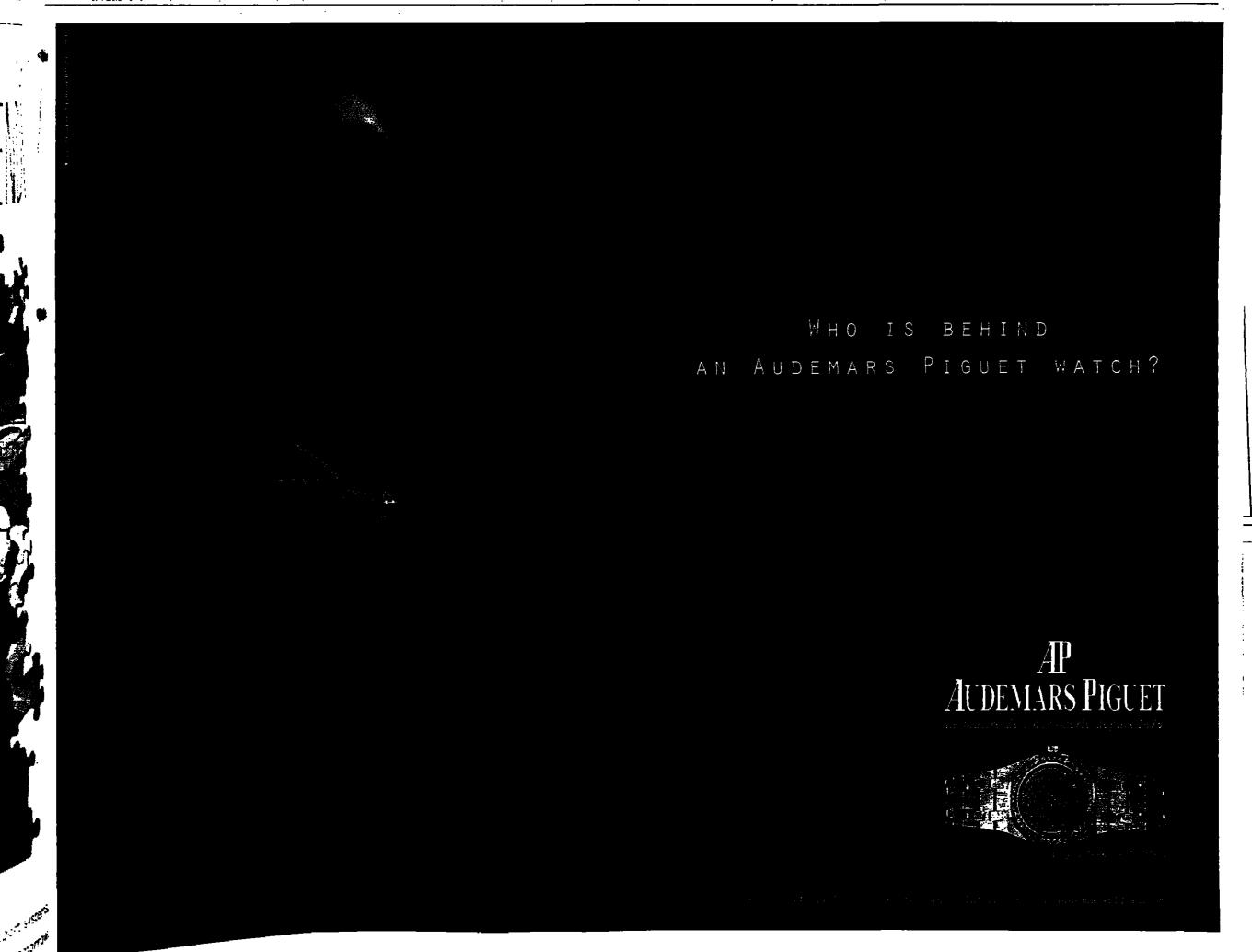
What has caused a diminishing of the anguish? Loulou de la Falaise, his fashion comrade, calls it "the ups and downs of the creative mind." It could be a mellowing that Berge expresses when he says: "We go back a long way - we know our roles.

Or maybe Saint Laurent knows in his heart that whatever happens now --even another designer doing the readyto-wear or a weak couture show would not affect fashion history.

the 1983 Saint Laurent exhibition at the Metropolitan Museum in New York, Last week, the ultra-cool Paris store Colette celebrated the couturier's 40 described him at 21 when he took over at the house of Dior: "A thin, tall boy in a years in fashion as a hip happening with an exhibition of fashion photographs. Among the crowd was Jeremy Scott, the When you ask Saint Laurent where wild and inventive American designer who was hoping that Saint Laurent, his the Ballets Russes collection came from, hero, would sign his book. What does Saint Laurent mean to 24he replies: "Inside my head." And how did he select the World Cup outfits from 30,000 archive dresses? "I don't really

ear-old Scott?
"Chic," he said. "It's about confidence and elegance and everything that I have learned since I came to Paris." shutter on that hidden world. He is so

Why has Saint Laurent never trained a successor but left Berge to pick a dauphin for him? A long silence and then a whisper: "I don't know."

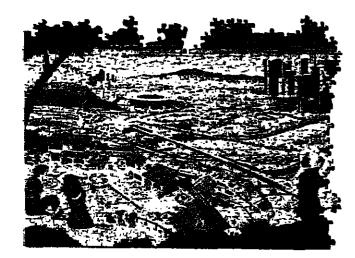


NYSE

Monday's 4 P.M. Close

| Colored | Colo

Continued on Page 18



World leader in **Environmental Services** and one of the major European leaders in Communication and Construction, Vivendi employs 220,000 people

in 90 countries. Its turnover is close to \$35bn and its net income is expected to exceed \$1.1bn in 1998. Vivendi's market capitalisation is close to \$30bn (mid 1998). Vivendi is part of the DJ Euro Stoxx 50.

In the United States too, Vivendi's activities are every day helping to improve the quality of life for millions of people and the company has annual sales here of \$2bn.

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In energy, Vivendi is one of the main independent electricity suppliers in the USA. Its Sithe Energies subsidiary operates 35 plants in several states, representing a global capacity of 4,000 MW. These include Boston Edison's plants and the 1,000 MW Independence plant which plays a part in the lighting of Manhattan.

In the waste management field, Montenay Onyx, a subsidiary of Vivendi, operates 5 major "waste-to-energy" plants in North America, including Dade County in Florida, the most important one in the US.



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More Markets Join

TUESDAY, JUNE 9, 1998

LEATHER SEATS ON THE ENTIRE







in Asia In Basel, from left: Jean-Claude Trichet, Bank of France chief; Andrew Crockett, BIS general manager, talking to Alice Rivlin, vice chairman of the Fed; Hans Tietmeyer, Bundesbank president, Wim Duisenberg, European Central Bank president, and Alfons Verplaetse, Belgian Central Bank chief.

Market Force of Institutional Investors Worries BIS

By Carl Gewirtz ional Herald Tribune

PARIS — The growing institutionalization of the world's markets could help uldermine financial stability, the Bank for International Settlements warnel in its annual report published Mondy.

In is study of institutional investors and the forces that drive them at times into lerd-like rampages, the bank also raised questions about whether regulatory structures — fragmented along industry and national lines — are ad-

Determining the appropriate allocation of regulatory responsibilities, both within and across countries, is a necessary first step, but implementing it is the critical second one," the BIS said, noting that recommendations made over a year ago to deal with international financial crisis management still had not been implemented.

Institutional investors — investment

companies, insurance companies, pension funds and money managers -- are cent shift in only the equity holdings of usually cast as the bedrock of financial institutional investors in the seven markets, positively influencing market largest industrial countries would have rurnover, securities issuance, internabeen equal to a 27 percent share of tional capital flows, market stability, market capitalization in emerging Asian industrial organization as well as coreconomies and 66 percent of Latin porate governance. American equity markets.

Total holdings of institutional investors in North America, Japan and Western Europe were estimated at \$21 "A marginal portfolio adjustment by the investor can easily amount to a firstorder event for the recipient," the BIS trillion as of 1995, more than the ag-gregate gross domestic product of the 18 said in its first in-depth postmonem of the financial crisis that erupted in Asia

almost a year ago.
The BIS, which monitors international banking markets, released its study as it hosted the annual meeting of central

bankers in Basel, Switzerland.
The report did not fault institutional investors for playing any role in precipitating or deepening the Asian turmoil. But it made clear that the bank takes seriously the scope for potential damage - a function of the increasing importance of these professional investors as well as their methods of doing business — and said the problem 'raises a number of issues on which there is as yet no clear consensus."

The Bank for International Settlements, which works with the world's central bankers, said that it could find no

See BIS, Page 21

Wells Fargo to Merge With Midwest Bank

Norwest Deal Extends Reach Nationwide

SAN FRANCISCO - Wells Fargo & Co. and Norwest Corp. said Monday that they would merge in a \$34 billion deal that would create a U.S. banking powerhouse with branches or outlets in all 50 states.

The combination of Wells Fargo, which is based in San Francisco, and Norwest, which is based in Minneap-olis, is to have about \$191 billion in assets, more than 90,000 employees, about 20 million customers and 5,777 financial-services outlets worldwide. It would be the sixth-largest bank in the United States if all other bank combinations announced this year are completed.

The combined company will keep the Wells Fargo name and its San Francisco headquarters. But the Norwest chair-man and chief executive, Richard Kovacevich, will be chief executive and president. The chairman and chief ex-ecutive of Wells Fargo, Paul Hazen, will be chairman.

The combined bank's board will consist of an equal number of represen-tatives of both companies.

Norwest will exchange 10 of its shares for each share of Wells Fargo, whose stock has lagged following its hostile takeover in 1996 of First Interstate Bancorp. Shareholders of Wells Fargo will own 52.5 percent of the combined company.

Wells Fargo's shares closed up \$1.75 at \$365, while Norwest's shares fell \$2.75 to close at \$36.9375.

"This gets Norwest a great franchise in the West Coast," said Charles Vincent, co-director of equity research at PNC Bank Corp. "This is an area of great growth potential."

Norwest and Wells Fargo say the deal will allow them to cut costs by at least \$650 million a year by the third year in operation. But no decisions have been made on job cuts, a Norwest spokesman, Larry Haeg, said.

The companies expect to save \$200 million from systems consolidation, \$175 million from branches, \$155 million in general administration and \$120 million from operations.

The combination is expected to increase earnings per share by 7.6 percent in 1999 and by 9.4 percent in 2000.

The proposed deal would be the thirdbiggest combination in the banking industry, after Travelers Group Inc.'s planned acquisition of Citicorp and NationsBank Corp.'s proposed combina-

tion with BankAmerica Corp.

The financial-services industry has been undergone significant consolidation recently, as banks, brokers and insurers strike alliances that can instantly expand their customer base while

lowering costs. "It's a great deal," said Nancy Bush of Ryan, Beck & Co. "Everybody in the middle of the country and West has to sit

up and take notice. Norwest's history of investing in its business would help Wells Fargo, which has lost customers since its combination with First Interstate caused computer and processing problems, analysts said. Norwest has purchased small banks for hundreds of millions of dollars, rather

than spending billions on acquisitions. Before Monday, Norwest's biggest purchase came in 1991, when it bought United Banks of Colorado, which had \$5 billion in assets.

Mr. Kovacevich, considered to be one of the most disciplined and talented executives in banking, said in a recent interview that he felt no need to merge with another bank and that he deemed the recent prices being paid for banks to

But at other times, Mr. Kovacevich has said he would buy another bank if the price was right.

Investors said integrating such a large combination could be a challenge for Mr. Kovacevich. "That'll also be a question that everyone will ask: Can the deal get done in terms of integration." said Scott Edgar, director of research at Sife Trust Fund.

In an unusual development, Goldman Sachs & Co. collected fees from both companies in the deal.

Goldman was able to advise both sides by dividing its advisers into two teams. In addition, Wells hired Credit Suisse First Boston to offer a fairness opinion on the transaction.

That opinion "will reassure the shareholders that the deal is fair, good and right from their point of view," said Samuel Hayes, a professor at Harvard Business (AP, Bloomberg, NYT)

esian Ecom

Britain's Influence in Europe Declines

By Reginald Dale

Thinking Ahead /Commentary

TINCHESTER, England For nearly a quarter of a century, British prime ministers have struggled ith a central dilemma: how to mainin the country's influence in Europe espite its lack of enthusiasm for the ntensified European unification ought by most of its partners. Now the roblem is suddenly more acute.

In a moment pregnant with historic ignificance, the British representative or the first time this month withdrew from a meeting of European ministers so that 1 I other countries could prepare euro, on a members-only basis.

Nothing could have been more symlast year has done precious little to

Meetings of the so-called Euro-11 group can only gain in importance as in 2001, is Mr. Blair's top priority, not the single currency and the further injoining the euro. And he has good torily explain how Britain might main-

The Labour government tacitly acknowledges that risk by arguing that MORI Financial Services and So-Britain's exclusion does not matter too lomon Smith Barney shows 31 percent much because it will not be for very of Britons in favor of the euro and 54

long. Mr. Blair, after all, has committed Britain to joining the euro, in principle, perhaps in 2002.

But it will not be any easier for Britain to participate in a few years' time if Mr. Blair does not take the necessary economic and political steps to make it happen.

of them are automatic.

They include actively persuading a reluctant British people to abandon the pound, together with a large chunk of cherished national sovereignty; bring-ing the British business cycle in line with that of the Continent and steering the pound's exchange rate downward without provoking charges of "comthe start of their single currency, the petitive devaluation" from euro zone

Mr. Blair, however, is showing no the euro entails. olic of the continuing ambiguity of sign of tackling these challenges. On

Winning the next election, probably

The latest opinion poll conducted by Mr. Blair.

same as in 1991, when the treaty establishing the single currency was negotiated.

Mr. Blair knows full well that any attempt to promote the euro through aggressive leadership would risk alienating voters and the generally anti-All of those steps are difficult; none EU press. And he is not a politician who likes to offend any section of the electorate.

Ironically perhaps, the largely discredited Conservatives, in opposition for over a year, are probably more in touch with many voters — at least on the euro.

The Conservative leadership, as it moves increasingly toward open hostility to Europe, is at least more honest about the loss of national sovereignty

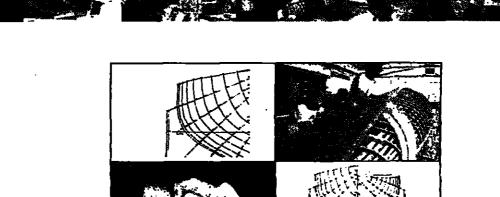
But the solution proposed by the Britain's role in the European Union — the contrary, he has muddied the wa- Conservatives — just put off the whole an ambiguity that the elevation of the supposedly more "pro-European" stitutional obstacle to euro memberTony Blair to No. 10 Downing Street ship and that the decision will thus be servative thinking is premised on the taken on economic grounds — when in dubious assumption that the euro will fact it will clearly depend on politics. be an economic disaster, while Britain

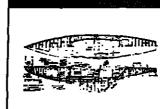
will continue to prosper. tegration it will bring take root — reason for being afraid or an issue— meaning that Britain's voice in the meaning that Britain's voice in the European integration — that played such a big role in the downfall of his integration. But then, as the coming months will demonstrate, neither can

> E-mail address: Thinkahead@Washpost.com

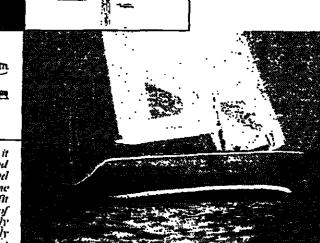
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6 More Markets Join IHT's World Stocks Table Beginning Tuesday, the International Herald Tribune available to foreign investors. Prices are indicated in Hong expands its World Stock Markets table to include daily Kong dollars.

share prices from six more markets: Athens, Buenos Aires, Istanbul, Prague, Shenzhen and Tel Aviv.

The table now tracks nearly 950 stocks from 36 bourses

around the world, a significant pulse-taking of international investment flows and the global economy.

As with the current share listings, the new stocks have been selected because they have the highest capitalization among actively traded shares within their respective mar-

Only stocks that can be bought and sold by foreign investors are listed. In the case of Shenzhen, the first mainland Chinese bourse to be listed in the World Stocks table, only B shares have been chosen because they are

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Cross Rates

For Buenos Aires, the table shows prices from the previous trading day because the market there closes after

To make room for the additional World Stocks listings. the daily Trib Index table has been moved to the Americas

page, where it will appear daily above a shortened list of share prices from the American Stock Exchange. Elsewhere, the Page One market digest box, which displays values for the dollar against other major cur-

rencies, the Dow Jones industrial average, and the S&P 500-stock index, has been enhanced to show the daily percentage change, as well as the point change, in the Dow and S&P 500.

CURRENCY & INTEREST RATES

June 8 Libid-Libor Rates

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THE AMERICAS

Investor's America Prev 9 Closs Cha 9037.73 +0.35 S&P 500 1115.72 1113:85 +0.17 U.S. SAP 100 540.52 539.78 +0.14 U.S. NYSE Composite 577.97 575.37 40.45 U.S. Nasdag Composite 1789,43 1782.92 +0,37 U.S. 713.12 40.30 AMEX Composite 715.23 7554.78 7508.20 +0.62 TSE index Bovespa 10518,41 10369.67 +1.36 Mexico City Boisa 4571.38 4601.77 -0.65 Closed 615,22 Bunnos Aires Menel ... 4283.97 4280.93 +0.05 IPSA General Caraces Capital General 6017 6079.08 -1.92 Source: Bloomberg, Reuters

Very briefly:

- Honda Motor Corp. agreed to pay \$17.1 million in fines and restitution for disconnecting pollution-monitoring equipment in 1.6 million cars. Honda also will spend \$250 million on free tune-ups and warranty extensions for the cars.
- President Kim Dae Jung of South Korea, visiting the New York Stock Exchange during his nine-day U.S. tour, told members of the world's largest stock market that South Korean stocks were "substantially undervalued."
- America Online Inc. has bought Mirabilis Ltd. for \$287 million in cash, giving AOL access to the Tel Aviv-based company's more than 12 million users.
- · Symbol Technologies Inc., a maker of bar-code scanning equipment, withdrew its bid to buy Telxon Corp. for as much as \$925 million after Telxon rejected the terms of the offer.
- Lucent Technologies Inc., a maker of phone equipment, is to buy SDX Business Systems PLC, a British maker of digital communications systems, for £124 million (\$203.7 million). • U.S. regulators approved a \$10 billion proposal to dismantle Conrail Inc. and restore rail competition in several North-

eastern markets for the first time in two decades.

Weekend Box Office

LOS ANGELES - "The Truman Show" dominated the U.S. box office over the weekend, with a gross of \$31.6 million. Following are the Top 10 moneymakers, based on ticket sales Saturday and estimated sales for Sunday.

The Associated Press

1 The Truman Show	(Paramount)	\$31.6 midlen
2. A Perfect Murder	(Warner Bros.)	516.3 million
3. Godzila	(Tristor)	S10 million
4. Hope Floats	(Twerfieln Century-Fox)	\$8.5 million
5. Deep impact	(Dreamfrients Pictures)	S6.7 million
6. The Horse Whisperer	(Touchstone Pictures)	\$5.2 million
7. Bulwarth	(Twentieth Century-Fox)	\$2.2 million
8. Titogic	(Twentieth Century-Fox)	noillim EA.12
9. I Got the Hook-Up	(Dimension Films)	Sì.á million
10. The Quest for Cornelot	(Viamer Bros.)	51.4 million

The Trib In	dex	Prices e	Prices as of 4:00 P.M. New York time.				
Jan. 1, 1992 = 100	Level	Change	% change	year to date %change			
World Index	195.84	+ 1.01	+ 0.52	+ 13.79			
Regional Indexes							
Asia/Pacitic	81.60	 0.56	0.68	— 15.06			
Europe	240.22	+ 1.05	+ 0.44	+ 24.44			
N. America	247.62	+ 2.27	+ 0.93	+ 14.64			
S. America	137.04	+ 1.36	+ 1.00	10.24			
Industrial Indexes							
Capital goods	240.83	+ 2.18	+ 0.91	+ 16.59			
Consumer goods	230.75	+ 0.81	+ 0.35	+ 10.02			
Energy	216.36	— 0.02	— 0.01	+ 10.98			
Finance	142.00	+ 0.98	+ 0.69	+ 15.48			
Miscellaneous	153.69	+ 1.99	+ 1.31	+ 2.54			
Raw Matenals	213.51	+ 1.05	+ 0.49	+ 27.67			
Service	207.33	+ 1.36	+ 0.66	+ 18.94			
Utilities	172.94	— 1.41	0,81	+ 3.64			
The International Her of 280 internationally	aid Tribune Wo investable stoc	oks from 25 cou	: O tracks the U. ntries. Complied by Bio				

AMEX

Monday's 4 P.M. Close The 200 most traded stocks of the day ,但是1011,并非常是有一种的,这个人的,我们就是一个人的,我们就是一个人的,我们就是一个人的,我们的,我们们的,我们的,我们的,我们的,我们的,我们的,我们就是一个人们也是一个人的,我们就是一个人的,我们就是一个人的,我们就是一个人的,我们就是一个人们也是一个人,我们也 THE STREET OF TH up to the closing on Wall Street. 我年世 以外与西北部的 五七十

What to Do When the Chipmakers Are Down

By Lawrence M. Fisher New York Times Service

happen to good companies, many problems were well past the halfway investors start looking for buying opportunities.

Such is the case with semiconductor stocks, which have been battered this year as one formerly stellar company after another has days. reported earnings disappointments. layoffs and product delays.

industry analysts say that the group may be reaching a bottom, but they differ on when to start buying chip stocks again.

For now, the bad news just keeps on coming. Intel Corp. was served with an antitrust suit Monday by the Federal Trade Commission; late last month the company announced that its Merced chip would be delayed. Motorola Inc. announced last week that it would cut 15,000 jobs, citing weak demand for cellular phones. pagers and other products using its semiconductors.

National Semiconductor Corp., meanwhile, warned that sales would fall below analysts' estimates and that it expected to report a loss for its fourth quarter, which ended May

The company added that it could post a loss in the first quarter of the new year as well.

While some companies face problems of their own making, such as Motorola's missing the shift from analog to digital cellular phones, there are two bigger forces depressing the group as a whole.

First is a glut of personal computers being sold in the United States, created largely by Compaq Computer Corp.'s need to reduce inventory as it moves to a build-toorder business model.

Second is the financial and economic crisis in Asia, which has weakened demand for personal computers and all other kinds of devices that use chips.

In South Korea, Samsung Group and Hyundai Group have both sus- paglia said. "They viewed the corpended chip production for at least a

Because no one in the industry saw either the glut of PCs or the Asian trouble coming, chipmakers kept building production well into 1997. With supply exceeding demand, prices have plummeted for semiconductor products from microprocessors to memory chips.

The personal computer oversupply and the Asia crisis are presumably temporary, but deciding whether and when to invest in chip stocks is difficult without a clearer end in

NEW YORK — When bad things Asia, and that the PC inventory

"You will actually see the demand rate for semiconductors bounce back," he said. "I think that will begin to happen in the next 60

Still, many semiconductor stocks are trading at or near their 52-week lows, Mr. Edelstone said, because the companies' first-quarter earnings were a "disaster, with two-thirds of companies below estimates." and their financial performances are likely to be the same in the second quarter.

You've got stocks that are pretty beaten up, and from a long-term point of view, attractive at cur-

NEW YORK - Stocks rose

Monday, lifted by another big bank

merger and sentiment that a recent

consolidation in prices had left the

market ripe for buying.

The Dow Jones industrial aver-

age rose 31.89 points to close at

9,069.60, and the Standard & Poor's

500 index finished 1.88 points high-

er at 1,115.74. Gaining issues out-

numbered decliners by a 4-to-3 ratio

on the New York Stock Exchange.

ment officer at Gruntal & Co., said

investors were less skittish about

buying stocks after a pullback in

recent weeks eased concerns about

overvaluation. Weakness in Asia,

meanwhile, seemed to ensure that

the Federal Reserve Board would

ent about the outlook," Mr. Batti-

Investors are still very confid-

not raise U.S. interest rates soon.

Joseph Battipaglia, chief invest-

ley & Co. said that chipmakers had already cut back substantially on "Investors should be getting their scarce."

delay or a federal lawsuit.
"We expect them to be strong in the second half." he said.

Drew Peck of Cowen & Co. said that it was too early to begin buying ing Analog Devices Inc., which most chip stocks — that Asia remakes chips for processing graph-mained an open-ended situation and that the oversupply of PCs was exilted. that the oversupply of PCs was still a nals, and Amcor Ltd., which makes problem.

analyst said, "but so far the data that not yet arrived

rection over the last few weeks as an

opportunity to buy stocks, and many

of their fears have been allayed for

The market also got a lift from

expectations for mutual funds to be-

gin another round of buying. Assets

U.S. STOCKS

of U.S. money market mutual funds,

where portfolio managers often

park money while they reallocate

assets, rose about \$14.5 billion in

the week ended Wednesday, the

Auril, the Investment Company In-

Investors decided to put some of

that money to work after a report

Friday on the U.S. labor market,

which showed a growing economy

"There is considerable pent-up

with little inflation, analysts said.

demand" for stocks, said Eric Wie-

Bank Merger Lifts Wall Street

the moment.

stitute said.

Nabisco to Eliminate 6% of Work Force

"I believe it will happen, but shopping lists together."

"I believe it will inappen out that so only blind faith." Mr. Peck Mr. Edelstone recommends Neomagic Corp., a maker of graphics- added. "Having said all that. I think control chips for notebook computers; Rambus Inc., a maker of fast announcements like Motorola's, if memory devices; Xilinx Inc., a not as big, over the next few weeks. maker of programmable logic devices, and intel, which he says will be little affected by the Merced takes a year to get a recovery, most of the risk will be removed.

Nevertheless, Mr. Peck recommended some stocks that he thought had been unfairly battered, includsemiconductor packaging material.

For the bulk of the semiconductor 'It would be very easy to say it's got to get better pretty soon,' the stocks, he said the time to buy had

gand, a fund manager at First Union

Corp.'s First Capital Group. "Most investors view pullbacks in the mar-

ket as a buying opportunity."

Banking stocks rose after Wells

Fargo and Norwest said they would

merge in a \$34 billion deal. U.S.

Bancorp rose 3/2 to 40, Mellon Bank

rose 1 1/16 to 68 13/16 and Bank-

Boston gained 21/8 to 110 on ex-

pectations that they, too, will con-

Philip Morris led blue-chips

Global DirectMail fell 31/2 at

14 15/16 after the company warned

that it would post second-quarter

earnings below analysts' expecta-

tions. Global DirectMail said its re-

sults had been hurt by general soft-

ness in the computer products

industry and bigger than expected

vestors awaited congressional testi-

mony Thursday by Alan Greenspan,

In the Treasury bond market, prices were little changed as in-

reductions in selling prices.

higher, rising 15/16 to 39 9/16 after

analysts at Goldman, Sachs & Co.

vised clients to buy the stock.

solidate, analysts said.

largest jump since the first week of and Credit Suisse First Boston ad-

Yen Falters As Hope Dies Cable & For G-7 Help

NEW YORK - The dollar tose above 140 yen for the first time in seven years Monday after Japanese officials said they would not ask a meeting of the Group of Seven lend. ing industrialized nations this week

The main topic of the meeting will be Russia, not foreign exchange issues, said Deputy Finance Minister Koji Tanami. Traders said the yen is poised to extend its decline against the dollar as the threat

FOREIGN EXCHANGE

of dollar selling by G-7. central

to restructure its economy or con

P.M. trading from 139.75 yen Bri-

The dollar rose against the Deutsche mark, meanwhile, amid persistent concern that Russia's financial troubles make it difficult for it to meet its obligations to Gentany,

its top lender and trading patter.

Investors expect the G-7 ct other lenders to provide Russia with \$5 billion to \$10 billion in credit, to help cover more than \$5 billion in debt payments this month and \$33

missed suggestions Monday that the Russian economy was in the verge of collapse.

cure our ruble and its stability and we have enough reserves to becomsupport the ruble," Mr. Yeltsinsaid during a two-day visit to Germany. The dollar rose to 1.7795 Lent-

The dollar was at 1.4795 Sviss francs, up from 1.4768 francsand at 5.9685 French francs, up tom 5.9495.

national Settlements said the ddar was 33 percent overvalued agast the yen and 21 percent overvaled against the Deutsche mark.

HEATING OIL (MMER)
42,000 gal, cents per gal
Jul 98 39,40 32,75 39,10
Aug 98 41,00 40,20 40,44
Sep 78 42,50 41,85 42,00
Cof 98 44,05 44,45 42,95
Nov 98 45,35 44,85 44,95
Dec 99 46,75 46,20 46,20
Jon 99 47,85 47,20 47,30
Est. solies N.A. Frifs soles 32,325
Fifs open in 184,767, up 1,227

marketing outlays by 30 percent plants as part of a restructuring profrom a year ago to reignite sales of its

PARSIPPANY, New Jersey -Nabisco Holdings Corp. said Monday that it planned to eliminate 3.100 jobs and close unidentified

gram aimed at increasing profit. The restructuring will result in a charge of about \$406 million against second-quarter earnings.

ght. The planned job cuts represent \$39.50 mark Edelstone of Morgan Stan-about 6 percent of its 52,400-person change.

work force. A spokesman, Hank Sandbach, would not say how many job cuts would be layoffs or where the cuts would come from.

The company is also increasing cookies and crackers, which include such brands as Ritz and Oreos.

Nabisco closed down \$6.5625 at

the Fed chairman. The price of the benchmark 30year issue rose 1/32 point to finish at 104 26/32, causing the yield to slip to 5.78 percent from 5.79 percent.

To go lower in yield," said Alan Day, a fund manager at Stratevest Group, "we need Greenspan to say that things are cooling off quickly, or we need the economy to give \$39.50 on the New York Stock Ex-change. (Reuters, Bloomberg, AP)

n 	Mark Edelstone of M	10rgan	Stan-abo	ut 6 pen	cent ot its	5 32	4,400-person change.		(Keuters, Bloomberg, AP)
θ.	U. S. STOCI	K M	ARKE'	ΓDL	ARY	_		INTERNATIO	NAL FUTURES
9	Indexes		Most Activ	es		_	June 8, 1998	High Low Latest Chape Opt	al High Low Latest Chge
	Dow Jones Open High Lost List Core List Core List Core List Core Co	sst Clag. 60 +31.89 30 +30.99 01 -0.35 50 +12.41	Philiter 1	tel. High 19775 4076 1973 71% 4672 3246 7797 4576	3914 394 5916 7 7914 31 95	+13 +13 +13 +13 -413 -413	High Low Latest Chge Opint Grains CORN (CBOT) 5,000 bu mentaryn-cents per bushel Jol 98 25619 23114 23279 419 132,488	15,000 lbs cands per lb. Jul 98 105,75 103,40 105,15 -1.40 17.8 Sep 98 109,00 107,00 109,00 +1.60 7.8 New 98 111.90 110,50 111.65 +1.05 4.7 Jen 99 114,25 +1.15 4.7	Prev. open int.: 60,704 off 5,588 ITALIAN GOVERNMENT BOND (LIFF
	Standard & Poors Provious High Law Ocea Industrials — — 1299-54 Transp. — 686.07	Today 4:50 1 1299-26 2 691-52	Consequents // RJR Heats // Centerent 44 Tel Bross 47 Textinet s 34 Textinet s 34	19775 4040 19773 77% 19797 4540 17797 4540 17757 4540 17757 2774 17757 1775 1775 2774 1775 4774 1775 4774 1775 4774 1775 4774 1775 4774 1775 4774 1776 4774	26 261	250	Sep 98 239% 234% 235% 4 52.6-22 Det 98 243 237 238% 4% 128.334 Mar 99 259 246 247% -31% 128.70 Mar 99 255% 251% 255% -31% 2.674 Dot 99 258 254% 258% -21% 4.183 Det 99 258 254% 254% 33% 2.95%	Est safes N.A. Frits safes 3.780 Frits open int 34.547, off 625 Metals GOLD (NCMX) 100 they az defines per key az. Jun 98 - 296.00 296.70 296.00 +4.80 44	ITL 200 million - pts of 100 pcf Sep 98 120.16 11959 119599 +0.09 81, Dec 98 N.T. N.T. 106.40 +0.09 0 Est sales: 14.355. Prov. soles: 33,348 Prev. open laft: 87.937 up 1,419 99 LIBOR 1-MONTH (CMER)
	NYSE		Nosdaq			+ 4 2/*	Est. soles 90,000 Frits soles 59,151 Frits open int 339,100, up 1,183 SOYBEAN MEAL (CBOT) 100 fors- dollors per lan Jul 98 155,00 153,59 154,20 -0,59 44,780 Aug 98 151,00 147,70 150,40 -1,40 21,833 Sep 98 151,00 147,70 150,40 -2,50 16,262 Oct 98 145,00 146,70 -2,50 16,262	Jul 98 Aug 98 298.80 291.40 298.40 -4.80 90.66 Oct 98 300.60 295.50 300.60 +4.80 6.43	2 S3 million- pis of 100 pcf. g Jun 98 94.35 94.34 94.34 Unch. 1 4 Jul 98 94.35 94.32 94.32 Unch. 1 0 Aug 98 94.32 Fris soles 3,897 Unch. 1 8 Est soles 6,238 Fris soles 3,897 8 Fris open bri 50.487, up 1,143
	Consposite 578.58 575.25 576.26 industrials 775.26 771.59 771.34 771.07 773.4 770.00 100 100 100 100 100 100 100 100 100	2 +1.45 2 +1.37 7 +5.36 0 +2.51 5 +4.68	intel s 17 Noted 14 DellCptr s 16 DSC 95 Prem 7 Cisco s 76 CptrLm s 62	ol. Hage 12826 70 6179 1246 6176 854 657 2574 177 264 177 264 178 254 188 254 188 254	6746 69745 + 1139 12395 + 83 83745 + 2975 1536 1536 - 1716 2276 + 4	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Sep 98 151.00 147.70 148.30 -2.00 14.325 Oct 98 146.00 146.50 148.70 -2.50 13.054 Oac 98 150.50 148.00 148.70 -2.00 33,707 Jun 99 152.50 149.40 150.30 -1.80 4.697 Est. stoke 25,000 Frts sokes 31,324 Fifs open int 140.842, up 1,973	Jun 99 308.00 +4.90 11.72 Aug 99 50.00 +5.00 39 Est sales 33,000 Frits sales 27.676 Frits open int 174,535, up 1,117 HI GRADE COPPER (NCM)Q 25,000 fbs cants per fb.	2 SI million-pis of 100 pcl. Jun 98 94.30 94.29 94.30 Unch. 40 Jul 98 94.29 94.28 94.29 Unch. 1. Aur 98 94.27 94.27 Unch. 1. Aur 98 94.27 94.27 Unch. 1.
<u>-</u>	Nasdaq Cosposite 1791.78 1771.54 1771.	2 +4.80 9 +6.11 6 -3.92 5 +6.66 4 +6.04 6 +0.12	Grade s 55 Ascend S 55 Ascend S 57 Person S 67 Person S 67 Applaints S 63 Slaples S 62 World Cm 37 Gatheol I 36	01. High 12255 70 16179 12346 16116 854 4657 25476 1224 7354 1224 7354 1234 2546 1247 2546 1274 2546 1607 16476 1607 16476 160	Land Conf. (1994) 11th 12th 12th 12th 12th 12th 12th 12th	かり うちがけるわり ちゅうけんか	SOYBEAN OIL ICEOT) 60,000 ibs- cents per ib Jul 91 25.69 25.77 25.61 -0.02 48,585 Aug 98 25.89 25.46 25.98 -0.04 30,270 Sep 98 26.90 25.60 25.98 -0.02 19,008 Oct 98 26,05 25.65 26.00 -0.02 19,008 Doc 98 25.90 25.57 25.88 -1.0 32,246 Jun 99 25.91 25.70 25.92 -0.18 3,069 Eal. soles 20,000 Fris soles 25,811 Fris open and 147,167, and 721	Num 99	8 Nov 98 22 Duc 98 94.20 94.16 94.18 14.17 94.20 14.17 94.21 94.20 14.17 94.17 94.17 94.17 94.17 94.17 94.18
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1. 特殊性性 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.	Trading Activity NYSE	Prev.	Nasdaq	35 914 9	Noon Pro		Fris open ini 146-679, up 2,352 WHEAT (CBOT) 5,000 bu minimum—canis per bushel Jul 98 2804 275 275½ -44 58,603 5ep 98 291 286 287½ -44 7,110 Dec 78 3044 302 3024 -4½ 28,500 Mar 99 320 315½ 317½ -4¼ 7,490	May 79 550.90 537.00 550.90 + 15.50 2.145 May 79 551.90 541.90 551.90 + 15.50 815 Est. axies 19,000 Frits sales 22.161 Frits open inf 96.472, up 2,762	100,000 dollars, 5 per Cdn. der Jun 98 4865 4846 4882 Unch. 44 Sep 98 4876 4875 4873 Unch. 24 Dec 98 4890 4888 4885 Unch. 2, Est. saise 21,134 Frits soles 29,911 Frits open inf 74,290, up 4,104
in in the least	Advertised 1600 Control 1510 Co	1994 1014 577 3497 66	Advanced Declined Unchanged Total issues New Highs New Lows Market Sales		1872 21 1742 18 1706 15 5120 59 51		CATTLE (CMER) 40,000 fbs cents per lb.	PLATINUM (NMER) 50 Inty Gc dollars per troy cc. Jul 98 364.50 356.50 364.20 +4.20 8.84 Cct 98 364.50 385.00 365.00 +4.20 2.25 Jun 99 364.20 362.00 364.20 +4.20 104 Apr 99 364.20 362.20 +4.30 12 Jul 99 362.20 +4.30 1 Est stoles N.A. Firt's soles 1.24 Firt's open int 11.207, off 194	GERMAN MARK (CMER) 125,000 motics 3 per mouth Jun 98 56-40 56-10 5627 -0.0015 9a, Sep 98 56-48 5647 5659 -0.0016 38, Dec 98 5695 5617 5679 -0.0015 Est. soites \$2,526 Firth soites \$7,471 Firth sopen int] 33,197, off 2,945
化三角联络物物 一种化铁物	Chapter	292 255 179 726 9	NYSE Amex Nasdaq <i>in millions</i> .	Tot 5\21 21, 534,	loy Pres 60 coe 22 658.5 48 33.5 39 679.5		Jun 98 64.90 64.20 44.22 -0.20 17,549 Aug 98 66.45 65.02 65.92 -0.10 41,335 Crd 98 66.45 65.00 65.22 -0.00 27,579 Dec 98 67.47 66.85 67.10 +0.10 65.01 Feb 99 68.75 66.30 68.40 +0.65 2,934 Apr 99 70.15 68.20 68.40 +0.65 2,934 Est, soles 14.710 Firts calca 20.577 Firts open ini 91,127, off 330	Close Previous LONDON METALS (LIME) Dollars per metric foro Akualissas (High Greete) 3718.00 1319.00 7327.00 1228.00 1318.00 1319.00 1325.00 1235.00 1255% Copper Carlindess (High Greete) Spot 1672½ 1673½ 1674.00 1675.00 Forward 1683.00 1684.00 705.00 1706.00	JAPANESE YEN (CMER) 12.5 million yen, \$ per 100 yen Jun 78
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to discuss countering Asia's connomic slowdown by lifting the year

banks fades and Japan heads into recession.

Andrew Shaveriat, a currency analyst at Paribas Corp., said, "The Germans and Americans feel that yen weakness is a Japanese probiem. Unless Japan does something income taxes, the dollar's going to

keep rising."
The dollar rose to 140.6 yearin4

billion this year.

But President Boris Yeltan dis-

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Separately, the Bank for Iner-

(Bloomberg, Reutes)

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every Monday in The Intermarket

For G. The Cable & Wireless Chief Focuses on U.S. Rv Seth Schiesel with a much larger chunk of the MCI business com's combined power in the Internet mark All this could imperil Mr. Brown's Internations. But Cable & Wireless comes approach to the MCI business com's combined power in the Internet mark and the second comes approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI business com's combined power in the Internet mark approach to the MCI

education it has been for Richard Brown, who traveled 500,000 miles (800,000 kilometers) last year and can hand out his business card in

Before becoming chief executive two years ago of the far-flung global telecommunications company Cable & Wireless PLC, Mr. Brown had been outside the United States only twice. "I came to run this company having never been to England before in my life," he said in the company's headquarters in London.

Now, Mr. Brown's focus has again turned to the United States. Seeking to expand Cable & Wireless's presence in America, where so far it mainly resells long-distance service to business customers, he struck a deal in which his company would buy a large portion of the internet business of MCI Communications Corp. for \$625 million.

The deal, if approved by regulators, would give Cable & Wireless one of the largest U.S. Internet operations. Yet such are the vagaries of

doubled profit at Cable & Wireless, is such an optimist that he speaks of the MCI deal as if it were already done. "We now are the first non-U.S. based company to be a tier-one Internet provider," he said. "We have leapfrogged the others."

Despite its global reach, Cable & Wireless is smaller than each of the three largest longdistance companies in the United States -AT&T Corp., MCI and Sprint Corp. - with \$11.6 billion in sales last year. It is larger than only the smallest of the regional Bell companies, US West Communications Group.

The continued regulatory uncertainty over WorldCom's bid for MCI threatens Mr. Brown's plan to become a major Internet competitor in the United States.

MCI would be selling the Internet unit to Cable & Wireless to help streamline its takeover by WorldCom. But the European Union's competition commissioner, Karel Van Micrt, seems to have agreed with foes of the the agreement, which is pegged to MCI's that selling part of MCI's Intermet holdings to pending acquisition by WorldCom Inc., that Cable & Wireless might conceivably wind up dress antitrust concerns about MCI and World-

with a much larger chunk of the MCI business com's combined power in the Internet market. All this could imperil Mr. Brown's Internet aspirations. But Cable & Wireless could emerge with an even bigger slice of MCI's strong Internet operation because WorldCom is under increasing pressure to complete the

> If the deal is not finished by the end of the year, WorldCom must pay about \$1.6 billion in cash to MCI, and MCI could simply walk away. Failing to complete the MCI deal would also be a big blow to the image of Bernard Ebbers, the chairman of WorldCom, on Wall Street.

> One easy way for WorldCom to win approval of the acquisition of MCI would be to sell its own big Internet operation, called Unnet, which WorldCom gained as part of its acquisition of MFS Communications in 1996. But Uunet is WorldCom's crown jewel, and its chief, John

Sidgmore, is now WorldCom's vice chairman. So if regulators tell MCI and WorldCom to relinquish more Internet assets, the additional pieces would almost surely come from MCL A likely beneficiary is Cable & Wireless.

Cable & Wireless is already one of the 10 largest long-distance carriers in the United States, providing its service almost exclusively to business customers. Adding Internet access to its menu would benefit corporate clients.

Roche Pulls Heart Drug; **Stock Slides**

ZURICH - Roche Holding AG's stock fell Monday after the company said it was withdrawing Posicor, a drug for high blood pressure, from the market because it interacted poorly with other medicines.

Roche bearer shares closed at 22,400 Swiss francs (\$15,168), down 1,800 francs, while the more easily traded nonvoting certificates fell 305 francs, to close at 14,245.

It is the second setback this year for a key Roche drug after the introduction of Xenical, an antiobesity product, was delayed to es-tablish whether it is linked to breast cancer. Last year Roche posted its first loss since 1899 as it took a 6.3 billion franc charge to cover costs associated with its \$10.2 billion purchase of Corange Ltd., which includes German diagnostics company Boehringer Mannheim GmbH.

Roche said its decision was taken as a prudent step.

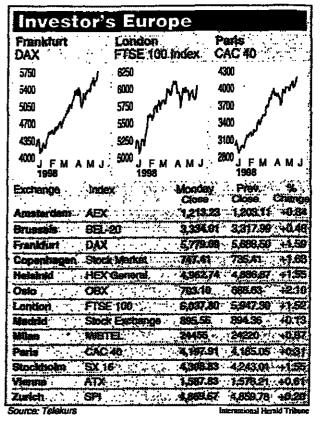
Long-term clinical trials also

found Posicor was no more effective than a placebo in treating congestive heart failure.
Analysts had expected the drug,

launched last year, to generate around 500 million to 800 million francs in annual sales. It is now sold in 38 countries.

Franz Humer, chief executive at Roche, said the withdrawal would not have any impact on earnings this

The drug withdrawal comes about a year after Roche won approval to sell Posicor in the United States, and 11 months after it won European approval. Late last year, it added a warning to Posicor labels that said the drug might cause dangerously low heart rates in some patients, and might increase the risk of muscle injury when taken with so-called statin cholesterol lowering



Very briefly:

 Fresenius AG plans to buy some intravenous nutrition units from Pharmacia & Upjohn Inc. for about 810 million Deutsche marks (\$457.8 million), in a bid to help the world's largest dialysis service provider expand in foreign markets.

· Voest-Alpine Stahl AG of Austria made a friendly takeover bid for VAE AG, a railway points maker. Details of the bid were not disclosed but it was higher than the 1,525 schillings (\$122) per share offered by De Dietrich & Cie. SA of France.

• Spain's jobless rate fell to a 17-year low of 11.77 percent in May from 12.14 percent in April, the Labor Ministry said. The data compares with a rate of 19.28 percent in three months through April as measured by the statistics office.

 Blakenev Management said it was interested in Lonrho Africa, but the investment firm, which is reportedly backed by the financier George Soros, denied it had taken a stake in the firm, which was demerged from Lonrho PLC of Britain.

• Fortis AG's share prices fell 5.1 percent to 9,940 Belgian francs (\$272) after the Dutch-Belgian banking and insurance company raised its offer to \$14.2 billion for Generale de Banque SA, beating ABN-Amro Holding NV in the takeover battle for Belgium's biggest bank. Analysts said Fortis's bid was too high.

Paris Adopts Policies to Channel Funds to New Industries by insurance companies in bonds biotechnology, such as Genset SA in life insurance, as well as funds in

PARIS - French banks and insurers are promoting a new kind of viding financing for companies in tax-exempt life insurance policy booming high-technology growth that is expected to direct tens of industries and helping create jobs. billions of francs toward stocks, particularly in small companies.

them, the government on Friday cut the interest rate on tax-free savings attractive by raising taxes on their proteeds.

toward stocks, investors said, pro- and Transgene SA.

Between 20 billion and 100 bil-The policies are exempt from policies," said Christian Deblaye, capital-gains tax if half invested in who manages the Croissance Disstocks, with 5 percent in small covery Fund at Compagnie Financompanies. To direct money to ciere Edmond de Rothschild Banque. "About half will be in stocks."

The Nouveau Marche, an exaccounts that hold 700 billion francs change that lists small, growth-ori-(\$147.8 billion). The government ented companies, is expected to be also made conventional policies less one of the principal beneficiaries. Two-thirds of the 47 stocks traded on the market are involved in com-The moves should channel some puter technology, such as the busi-

Encouraging investment in technology companies has been one of the goals of Finance Minister Dominique Strauss-Kahn, after whose inilion francs will be invested from the tials the new tax-exempt policies have been dubbed "contrats DSK."

In the absence of a private pension system in France, life insurance has become a favored way of saving, with policyholders cashing them in upon retirement. They have also been used as a tax-efficient means of transferring estates to heirs. Last sets into the new DSK tax-exempt year, the French, who save 15 percent of their incomes, bought 379.6 billion francs of such policies.

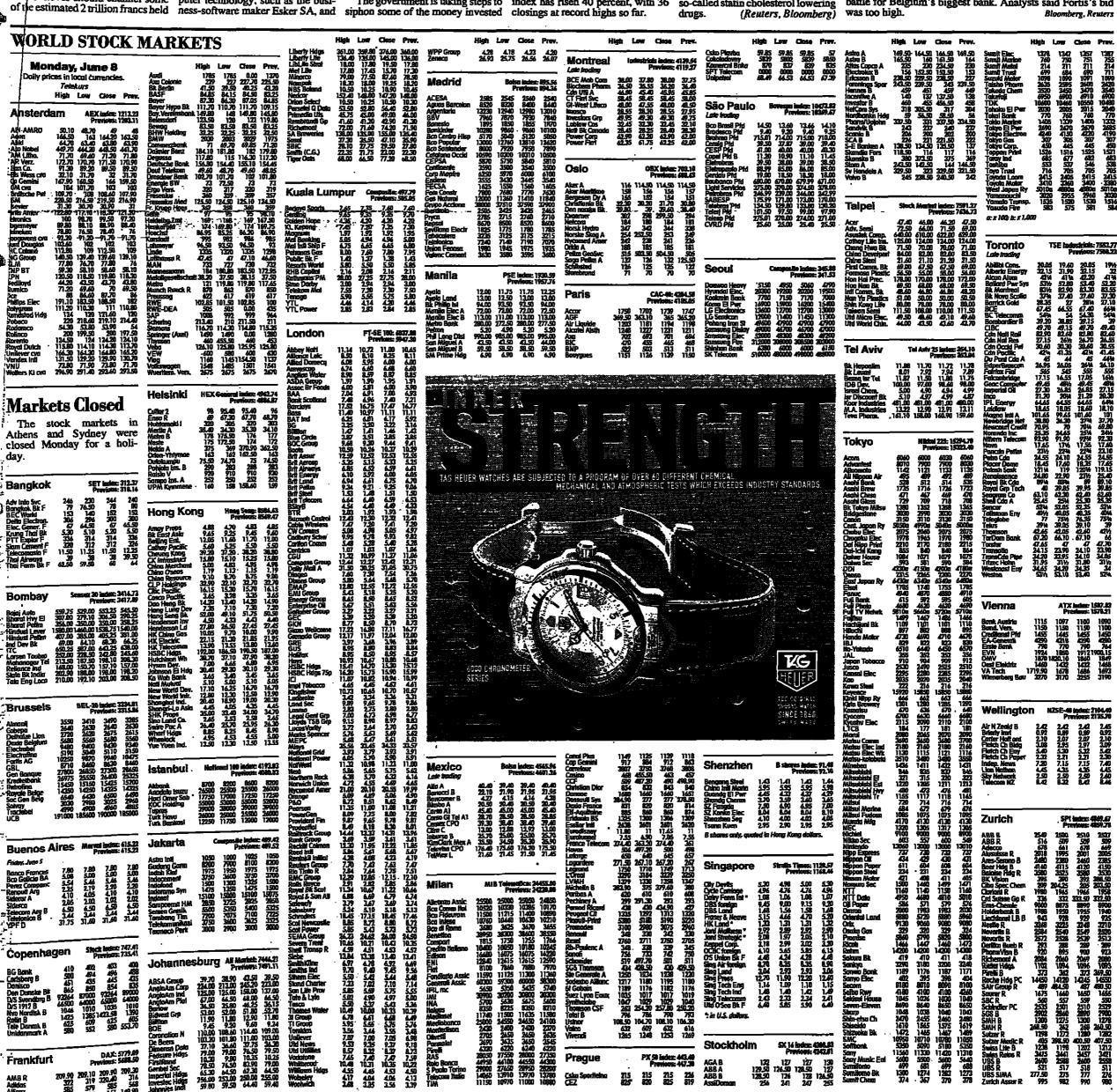
The government is taking steps to siphon some of the money invested

savings accounts, to other invest-On Friday, it cut a half percentage point from the savings rate on the

Livret A savings account, which was paying 3.5 percent tax-free. The government had not cut the Livret A rate since January 1996, after which investors shifted an estimated 25 billion francs into other investments.

The government has also allowed investors to shift at least 30 percent of existing life-insurance policy aspolicy by the year end.

Stock investors have done well this year. The benchmark CAC-40 index has risen 40 percent, with 36



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NYSE Monday's 4 P.M. Close

HOTEL VIER JAHRESZEITEN HAMBURG

How we helped

Ms. Sophia Loren play a dual role.

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11045 May 1704 May 1704 May 1804 May 1704 May 1804 May 18 Samsung To Cut Chip Production

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xled by Our Staff From Desputches

SEOUL - Samsung Electronics Co. will halt production of all memory and most nonmemory chips for one week starting Sunday to tackle a worldwide glut and falling

prices, executives said Monday. The company described the suspension as its largest-ever production cut and said it would have a "major impact" on the world semiconductor market.

Samsung Electronics, an affiliate of Samsung Group, holds 19 percent of the world's memory chip market — 22 percent of 64-megabit dynamic random-access memory chips, or D-RAMs, and 11 percent of 16-megabit D-RAMS.

Samsung said it had taken steps to ensure that customers with long-term contracts would not suffer from the production

The company will continue to cut back on production until the chip supply glut has been resolved," Samsung said.

The suspension comes after Hyundai Electronics Industries Co. said last week that it was halting computer-chip produc-tion for one week, which started Wednesday.

The third big South Korean chipmaker, LG Semicon Co., has said it also was considering curtailing chip production.

"Because of the suspension, more than 25 percent of Samsung Electronics' world memory chip supply will be re-duced," a company spokesman said. "This is expected to have a strong psychological effect on the market and help to turn prices around.'

Samsung executives gave no firm indication of the market effects of their move, saying Japanese chipmakers had already reduced production.

Japan accounts for 30 percent of world output, and analysts here say that only a joint output cut by the two countries could alleviate the global glut.

Samsung's move was prompted by the yen's rapid fall and by Asia's financial woes, which have weighed heavily on the chip market in Seoul and in (AFP, Reuters)

State-Run Computer Firm Dominates in China Investor's Asia

SHENZHEN, China - When engineers, assembly-line workers and salesmen from Legend

Group burst into reverent song last month at a company meeting, it was clear they did not belong to just any computer maker.

Do not look for Silicon Valley free spirits and burgeoning stock options here. China's leading hightechnology company is state-owned and marches to the beat of the ruling Communist Party. The company's rousing hymn is meant to promote unity, a sense of belonging to Legend and the People's Republic of

China, managers say.
But unlike some other Chinese state enterprises, Legend is setting new standards for craftsmanship. customer service and cost-cutting.

Sales doubled to 430,000 personal computers last year, and Yang Yuanqing, a vice president and the general manager of the computer division, predicted they will rise to 1.5 million by 2000.

Profit for 1997, which has yet to be officially reported, roughly doubled to 10 billion yuan (\$1.21 billion), he said, and should reach 33 billion yuan by 2000.

Opening the company's regional meeting in the southern "enterprise zone" city of Shenzhen, Chairman Liu Chuanzhi savored first-quarter sales figures that showed Legend controlling 12.9 percent of the Chinese market. That is nearly double the 6.9 percent share held by International Business Machines Corp., according to the industry monitor International Data Corp. Hewlett-Packard Co. had 5.4 per-

TOKYO — Japan's trade surplus

with the world jumped more than

tenfold in the first 20 days of May as

a failing domestic economy slashed

demand for foreign products, the Finance Ministry said Monday.

- the amount of goods the country

exports minus its imports - soared

to 360.9 billion yen (\$2.6 billion)

from 34.9 billion yen during the year-

A yearlong slump in real estate, car and machinery sales at home has

sliced into demand for oil, lumber,

iron and other imports used for pro-

duction. That has companies turning

to the government to prop up the

earlier period, the ministry said.

Japan's merchandise trade surplus



A GAS - Honda Motor Co. introducing its U.S.-made, naturalgas-burning, eco-friendly Civic in its home market Monday.

cent, and Compaq Computer Corp. lagged with 4.4 percent. This proves that our operating principle is better than theirs," Mr.

Or it may prove that being owned by the government gives Legend a

leg up on its foreign competition. Even with the company's impressive sales growth, the real winners in the Chinese computer market are the makers of no-name PC clones, often packed with pirated software and selling for two-thirds the price of brand-name machines. International Data pegged the market share for makers of clones at 57 percent in the

ing to be in trouble," said Takeshi Yoshii, vice president of Nippon Steel Corp., the world's biggest

Imports dropped by 14.3 percent,

to 1.9 trillion yen, amid dwindling demand for raw materials. But the

ministry said such sharp declines

trillion yen, up 0.3 percent, as strong

overseas sales of cars and photo-

graphic film offset a drop in demand

for computer chips and electronics.

pan's surplus has risen for the last 13

months, as a weakening yen made

the country's exports cheaper in key

In the most recent monthly figure,

markets like the United States.

Measured on a monthly basis, Ja-

Exports remained a robust 2.3

were unlikely to continue.

first quarter.

steelmaker.

Japan's Trade Surplus Soars

"If they don't do something Japan posted a 1.2 trillion yen sur-

quickly, the whole economy is go- plus in April. (AP, Bloomberg)

Mr. Liu likes to tell about how several years ago Legend bought massive quantities of microprocessors from Intel Corp., betting correctly that prices were about to rise. That enabled Legend to make inroads against its major U.S. competitors and seize the momentum. Legend's vast local sales network

makes distribution much cheaper, he said, than for foreign companies.
"Our biggest advantage is in cost control," Mr. Liu said.

Within China's rigid business culture, set by party loyalists who run the big companies, Legend is decidedly informal. All employees

Hanbo Steel to Go To Non-Koreans

SEOUL - The bankrupt Hanbo Steel & General Construction Co., the second-largest South Korean steelmaker, will be sold to foreign investors this year, its creditor

banks said Monday.
The decision came after potential domestic investors, including state-run Pohang Iron & Steel Corp., the No. 1 steelmaker, gave up plans to take over Hanbo, which once made 3 million tons of steel a year.

About nine foreign steel companies, including USX Corp. of the United States, have shown interest in Hanbo.

omit their titles. Eschewing the customary ceremony that surrounds greeting business guests with jasmine tea in delicate porcelain, Legend executives offer paper cups.

The top management team numbers just five alongside Mr. Liu, while Legend's work force has an average age of 26, keeping a lid on the payroll.

The company sends many of those employees to the United States for training and has even set up a budding software team in Sil-

icon Valley.

Legend's hopes for big earnings from software are not high, and exports are also negligible. Karim Davezac, an International Data analyst in Hong Kong, said pirate program disks are so pervasive that the company sees little chance for profits from software until Beijing beefs up its enforcement of intellectual property laws.

Legend's success is largely em-bodied in Mr. Yang, the 33-year-old computer division chief who built the sales force to 2,000 from 18 in 1994 and helped turn around the

Mr. Yang acquired his knack for marketing and customer service as chief of distribution for Hewlett-Packard computer servers and printers, which are sold in China by Legend. Sun Microsystems Inc. and other allies contributed the radical idea of establishing specialist teams for marketing, sales and customer

Indeed, a recent government survey found Legend second only to Hewlett-Packard in customer sat-

By continually slicing prices, Mr. Yang managed to increase sales 40fold in four years and push stateowned Legend into the top five

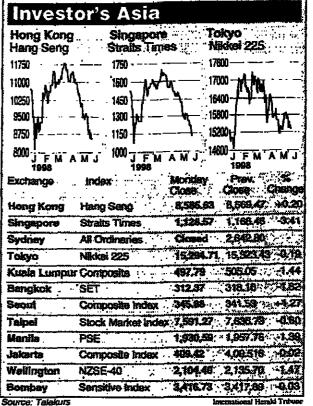
Asian makers of personal com-To be sure, China is not exactly a level playing field.

Some 80 percent to 90 percent of prises, according to Andrew Gaw, a so-called administrative guidance. computer industry analyst for DBS Securities in Hong Kong.

The company also has a generous

credit line with the state-owned Bank of China, which last month granted it a I billion yuan loan, the largest ever to a Chinese computer

company.
Still, both competitors and industry analysts are impressed with how Legend has broken from the legacy of inefficiency and feeble marketing that mark China's staterun enterprises.



Very briefly:

• Metropolitan Life Insurance Co., the second-largest U.S. life insurer, plans to invest \$1 billion in Daehan Life Insurance Co., giving it as much as 50 percent of the South Korean company. The transaction will start as a loan, with an equity purchase option and reinsurance coverage.

• The Monetary Authority of Singapore outlined banking reforms that are to include ending the practice of maintaining hidden reserves, disclosing the market value of investments and lowering minimum cash-balance requirements as well as opening the local banking sector to foreign equity interest and to greater foreign competition.

 India and Suzuki Motor Corp. of Japan have settled out of court a long-running struggle over the choice of managing director for Maruti Udyog Ltd., their joint-venture car company. Suzuki, which had objected to the choice of Ravela Bhaskarudu as head of the company, will have the right to choose the next managing director.

• The Japanese Finance Ministry has voided most of the written "notifications" it had issued financial institutions in an effort to improve transparency after several scandals involving ministry officials said to have accepted entertainment Legend's sales are to state agencies from financial companies. The notifications were part of the or other government-linked enterministry's practice of controlling the finance industry through

• Indonesian companies have \$20 billion in foreign debt due this year, while Jakarta has \$9.2 billion, said Radius Prawiro, the government official in charge of resolving the debt crisis.

 Malaysia is considering raising the ceiling on foreign ownership of stock brokerages to 70 percent from 49 percent.

 Hitachi Ltd. of Japan plans to gradually move most of its domestic production of dynamic random-access memory chips to Singapore.

 Sanwa Bank Ltd. and Long-Term Credit Bank of Japan Ltd. announced plans to cut Continental European operations and focus business on London. Both banks will close their Paris branches this year and are considering closing their German branches.

66 Geneva's Private Bankers did not just improve the profession. They created it.)

↑ Te, the Private Bankers of Geneva, are proud to have cre-**V** ated, two centuries ago, a vocation that continues to bring so much to this city and, very importantly, to our clients. As well as astute asset management, it comprises a level of personal service and respect for privacy that cannot be duplicated elsewhere.











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BIS: Concern Over Destabilizing Power of Institutional Investors

Continued from Page 15

statistical evidence to support accusations that hedge funds very highly leveraged and aggressive investment pools as a group were heavily holding short-term dollarinvolved in triggering or even intensifying the currency depreciations that recocheted capital flows from equity to throughout Southeast Asia.

In looking at how the in- and from local to foreign curvestment industry operates, the BIS said "risk and reward structures embedded in a delegated portfolio management relationship could impair increasing their exposure to managers' ability or willing- Asian borrowers through ness to take contrarian positions, thus reinforcing a herd-like type of behavior.'

In addition, it noted that the lower capital risk weightings on short-term loans that banks make may have inadvertently contributed to a concentration of such lending, creating a fatal mismatch for borrowers when crisis strikes.

Moreover, it added that the 1994 bailout of Mexico where holders of Mexican

peso-denominated have distorted the pattern of debt, from long to short-term,

BIS also called for "fur-ther investigation" of why commercial banks continued Asian borrowers through mid-1997, while fund man-agers had begun reducing their exposure to the region at

the end of 1996. In addition, BIS said the private sector needed to find a way to "take some responsibility for the ongoing provision of credit to customers to whom they had previously lent all too freely.

■ Work Plan Criticized

The Bank for International equities, long-term bonds or Settlements criticized plans by be at least 10 percent higher countries to cut the working as a result. suffered losses, while those week, warning that a scaleback in workers' output could linked debt escaped — 'may come as an added strain on the public purse. Bloomberg worrisome, particularly given. News reported from Basel.

In its annual report, the in some countries to reduce BIS, which coordinates the the supply of labor input by activities of the world's cen-tral banks, said rising health-hours," the BIS wrote in its tral banks, said rising healthcare and pension spending report. were taking bigger bites out contribute less to state-run health-care and pension systems, obliging governments to finance them by taking on

debt and boosting deficits.

The BIS was making a governments, which are gearing up to trim the work week to 35 hours by the start of the um-term fiscal sustainability

ower.

a former Justice Department
Intel has argued that it has a lawyer, told The Washington

right not to give advance pro- Post, "But when you're the

tomers if they refuse to share everybody has to come to their intellectual property. you, it's impermissible."

drawn protests from employers, who say labor costs will

"The relatively tepid response of national savings to fiscal consolidation so far is the contemporaneous moves

The bank warned that penof national budgets. Workers sion and welfare spending putting in fewer hours would could jeopardize countries

fiscal standing if they were not curbed more effectively. "Rising pension and healthcare obligations mean that fiscal balances could deteriorate sharply in future deveiled reference to France and cades." it said. "The pros-ltaly, both ruled by center-left pect of such a deterioration combined with high government debt imply that medi-

is not yet assured." Italy's debt, which has been inflated by years of high government spending, runs at more than twice the level tol-Continued from Page 1

Acer Computer and Packard
Bell. The commission had determined earlier that Intel to be that Intel did not have a strong case.

The sense among antitrust erated for the single currency that Italy is set to be that Intel did not have a join in January. Debt ended last year at 121.6 percent of the sense among antitrust erated for the single currency that Italy is set to be that Intel did not have a join in January. Debt ended last year at 121.6 percent of "Exclusive dealing is O.K. gross domestic product. the commission also finds if you're small and have little

The government this year has shaved some 4 trillion lire (\$2.3 billion) off its annual pension tab to drive the debt down, about half the saving it prietary information to cus- only kid on the block and originally intended.

To meet the terms for the single currency, countries must slash their debt and deflimits set on both of those items risk hefty fines.

INTEL: U.S. Regulator Votes to Sue Chipmaker

were harmed by any with-

wave of big mergers. Intel termined earlier that Intel stock fell 37.5 cents to close at 569.4375 on the Nasdaq stock which is not unlawful unless

The FTC filing against the santa Clara, California, compower.

The FTC filing against the that the company abused that market power, "Robert Litan, a former Justice Department and lave into pany was relatively narrow in scope, however, "They wanted to bring a case they are certain they can win," an industry source told Reuters.

Even if the agency prevails The company has argued that — and Mr. Barrett said he neither Intergraph nor other expected to be heard by an icit in a lasting, or sustainable, would fight the suit to the firms had shown that they administrative law judge way. Countries overshooting Supreme Court if necessary were harmed by possible remedies appear unlikely to seriously shift the landscape of the micropro cessor industry.
Intel produces more than

85 percent of the microprocessors that form the "electronic brains" of personal computers. It dominates its multibillion-dollar market as Microsoft dominates the huge market for the software that operates computers. Intel's business, however, is more technical and less visible to computer users. Under Mr. Grove, the company avoided the sort of confrontations that have made enemies for Microsoft under Bill Gates.

European antitrust authorities will not investigate Intel because it has not received any complaints against the company, a European Commission spokesman said Monday.

'We have no case, we have no complaint, we have no knowledge of this American case," Stefan Rating, an EU spokesman, told Reuters.

The U.S. action follows a suit filed against Intel in November by Intergraph Corp., a Huntsville, Alabama, manufacturer of worksta-

Intergraph contended that during a patent disagreement, Intel pressured Intergraph to share its patented technologies by denying access to data on Intel products that would be vitally important in designing equipment compatible with the larger company's microprocessors.

In April, a federal judge in Alabama ordered Intel to supply Intergraph with the data and memory chips it needed on the same basis it shared with others. The judge said he had found a "substantial likelihood" that Intergraph could prove Intel had violated the Sherman Antitrust Act. Intel

is appealing.
A similar dispute pitting Digital Equipment Corp. against Intel was later settled. The FTC staff reportedly had also examined Intel's dealings with Compaq Computer, THE LIVING LEGEND

The initial FTC lawsuit is

who, while independent, is an

FTC employee.



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To our shamholders

We have the honour to invite you to attend the

ANNUAL GENERAL MEETING

of shareholders of our company, which will take place at the offices of Banque Internationale à Luxembourg, 69, route d'Esch. L-1470 Luxembourg, on June 24, 1998 at 4:00 p.m. for the purpose of considering and voting upon the following

- 1. Report of the Board of Directors and of the Independent Auditor;
- 2. Approval of the Statement of Net Assets and of the Statement of Operations as at February 28, 1998; allocation of the results;
- 3. Discharge to the Directors; 4. Statutory appointments;

Resolutions on the agenda of the annual general meeting will require no quorum and will be taken at the majority of the votes expressed or represented at the meeting.

In order to attend the meeting, the owners of bearer shares will have to deposit their shares live clear days before the meeting with Banque Internationale à Luxembourg. 69, route d'Esch.

THE BOARD OF DIRECTORS.

GROUP

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NOTICE TO SHAREHOLDERS PAYMENT OF DIVIDEND

The annual general meeting of shareholders held on June 3, 1998, resolved to pay a dividend of US\$ 3.00 per ordinary share and US\$ 3.45 per preferred share for the year ended December 31, 1997.

Since an interim dividend of US\$ 0.85 per ordinary share and US\$ 0.95 per preferred share was paid on December 9, 1997, a final amount of US\$ 2.15 per ordinary share and of US\$ 2.50 per preferred share will be paid.

Such final dividend will be payable, subject to the laws and regulations applicable in each country, starting June 11, 1998, against surrender of coupon no. 2 of the ordinary share certificates and coupon no. 2 of the preferred share

certificates, at the offices of the paying agents listed below: in Luxembourg: Banque Internationale à Luxembourg:

- in Italy: all the leading banks;
- in Switzerland: Crédit Suisse, Banca Commerciale Italiana in France: Lazard Frères & Cie.;
- in the Federal Republic of Germany: Commerzbank:
- in Great Britain: SBC Warburg, Lazard Brothers & Co.;
- in the Netherlands: ABN-AMRO Bank: in Belgium: Banque Bruxelles Lambert.

The Principal Paying Agent Banque Internationale à Luxembourg Société Anonyme

Herald Eribune

WORLD ROUNDUP

Fans of Scotland Forced to Wash Up

SOCCER - Scotland's World Cup supporters were being asked to scrub their faces before being allowed into France, as officials objected that they could not match passport photographs to faces painted with the blue and white Saint

Andrew's cross, the Scotland flag. Scottish fans, traveling to Paris for the opening World Cup game between Brazil and Scotland on Wednesday, were also asked to take off ginger wigs, Tartan bon-nets and Scottish flags wrapped around their heads and necks as they arrived at passport control at Roissy-Charles de Gaulle Airport.

"It is absolutely ridiculous," said Andy Finley, a 36-year-old construction worker from Kirkintilloch near Glasgow, who was wearing a £500 (\$820) tartan suit complete with waistcoat and top

"It took me hours to paint this flag on my face and the next thing I'm told to wash it off or they won't let me in the country.

 Germany gained a lackluster 2-I victory over a select Cote d'Azur team of promising young professionals Monday in its final warm-up match before the World Cup

In front of a live television audience at home, the European champion needed a lucky goal from the striker Olaf Marschall to lead 1-0 at halftime. Oliver Bierhoff added the second goal in the 57th minute.

But an individual effort from David Andreani exposed a lack of pace in the German defense. (AP)

Appleby Wins Kemper

GOLF Stuart Appleby shot a final-round of 72 Sunday to beat Scott Hoch by one stroke in the Kemper Open in Potomac, Mary-

Appleby, an Australian, finished at 10-under-par 274, with Hoch at 275 and five players at 278, including Fred Funk, who led after each of the first three rounds. (AP)

Confused Cardinals

BASEBALL The St. Louis Cardinals said they would try to sign their 11th-round draft pick. Joel Vega, even though they thought

they had picked someone else. When the Cardinals called out Joel Vega's name last Tuesday they thought they were drafting Rene 22a, a pitcher with an 11-1 record this year with Dominican College in New York. Joel Vega, a pitcher for Ohio Dominican College in Columbus, Ohio, went 8-1 last year but only 3-5 this season.

Rains Stop Graf's Test

TENNIS Rain washed out Steffi Graf's latest comeback Monday. Graf, the former world No. 1, has played only twice in the last 12 months because of injury. She wanted to test her fitness ahead of Wimbledon at the women's tournament at Edgbaston, Birmingham,



Mark Philippoussis braving the London rain on Monday.

She will now play Wednesday. Graf last appeared at the event 14 years ago.

" I want to play as many matches as I can before Wimbledon," Graf said. Her previous court appearance was at Indian Wells, California in March when she was forced to retire during the semifinals.

• Rain also interfered with the men's Wimbledon warm-up tournament at the Queen's club in London. The defending champion, Mark Philippoussis, managed to split just four games with Jordi Burillo before play was halted. (Reuters)

Test Match Washed Out

CRICKET Rain washed out the final day of the first test between England and South Africa in Birmingham on Monday. The match ended in a draw..

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FIFA Elects Blatter As Its New President

Johansson Concedes Defeat in Heated Race

By Anne Swardson Washington Post Service

PARIS - Joseph (Sepp) Blatter, the candidate of soccer's establishment, was elected president of FIFA, the sport's governing body, Monday after promising "continuity" in a sport that has become a multimillion-dollar business. Starting Wednesday, FIFA will stage its biggest-ever World Cup.

Blatter, who was supported by the 82-year-old president, Joao Havelange, won when his opponent, Lennart Johansson, conceded defeat after the first round of voting favoring Blatter, 111 to 80. A second round would have been necessary because the required twothirds majority in the first round was not

Blatter had taken a leave from his job as secretary of FIFA to campaign against Johansson, the president of UEFA, the European soccer federation. The battle between them was hard-fought and the spoils — the top position in a \$250 billion-per-year business — rich.

Both toured the world to visit the heads of national soccer federations. Because each country has one vote, both candidates lobbied hard in Africa, which has 51 votes. For a time Johansson appeared to have Africa, but when the head of the African confederation freed his members to vote as they wished, the way was clear for Blatter.

Johansson, a 70-year-old Swede, made his concession by dramatically signaling a stop to the second round of voting. He then walked over to Blatter, took his hand and raised his arm as the hall full of delegates cheered. But afterward, he did not try to hide his disappointment.

"I was astonished at the fact that people I talked to told me they'd vote for me and a lot of them didn't," he said. "I've learned a lesson." On Sunday, he had talked at a press conference about FIFA distributing envelopes containing \$50,000 in cash to some of the national federations, but on Monday he declined to speculate about the reasons for his

Blatter said he was "happy to be able

to serve FIFA for longer."
The 62-year-old Swiss has worked for the organization for 23 years. He did not deny the distribution of \$50,000 in envelopes, but said they were cash prepayments of previously agreed-to dis-bursements to national federations. The

early payments of cash were given to federations in particular financial dif-

Both men had prominent former soccer stars on their sides. Blatter was supported by Michel Platini, France's greatest soccer player and the current co-president of this year's World Cup in France. He has promised to make Platini executive director for sports, a promise Platini said was a key factor in his decision to support Blatter. Platini helped convert the French soccer federation from Johansson to Blatter and France then lobbied French-speaking African countries on Blatter's behalf.

Johansson, for his part, had Pele, the Brazilian soccer legend and an avowed opponent of Havelange, on his side. Pele and Havelange, also a Brazilian, are longtime enemies over soccer policy in Brazil. No explicit job offers were made to Pele, Johansson said, adding Monday that he did not think the promise to Platini was fair.



Scottish fans playing soccer in Paris on Monday, two days before their team meets Brazil to open the World Cup.

Nasty Campaign Ends, but More Trouble Looms

ARIS — With his election as president of FIFA, Sepp Blatter becomes the most powerful man in world sport other than Juan Antonio Samaranch, the president of the International Olympic Committee.

However, in his hour of glory, Blatter, a former Swiss Army colonel, discovered that he had inherited a poisoned chalice from Joao Havelange, the outgoing president and Blatter's boss for 23 years while he rose to FIFA general

After his victory he acknowledged in his speech that it had been a nasty campaign. "There were one or two fouls, but no tackles from behind," he said.

Then, at his first presidential press conference, with Havelange at his side which is where Havelange is likely to be for a long time because FIFA bestowed on him the title of honorary president -Blatter had to endure further unpleasant questions about his campaign. His face clouded. "The match is over," he said, adding, with barely concealed anger: "The players have already gone to the dressing room, I will not respond."

Vantage Point / Ros Hughes

Johansson, a Swede, said: "Something happened somewhere. I had so many promises of votes that I am, to put it mildly, surprised and disappointed to be beaten so comprehensively. I have told Mr. Blatter that I respect him. I will not allow myself to be thought a bad loser. I hope to continue as the president for UEFA. I have just begun a new fouryear mandate, and though I will, of course, ask the UEFA members if that is what they wish. I still have my 'Visions.' I go on and I have assured Mr.

Blatter that I cannot change the program or the principles on which I stand." Blatter returned the compliment. Indeed, he described Johansson as a big man and a very big sporting personality. Yet "Visions," the program outlined as part of the Johansson presidential campaign called for an entirely new approach, a new "democracy, solidarity and transparency" in FIFA. By implication, Johansson had been condemning the autocratic rule that had sustained Havelange during his presidency.

That presidency, with Blatter as the administrator, changed the international face of soccer. It is no longer merely a sport, as the \$1.6 billion television rights for the 2002 World Cup, plainly illustrate. When Havelange was voted into office, it was because he, and his allies, persuaded Africa to vote for

The vote Monday showed that the cradle of power in such an affluent game may not have moved very far.

OHANSSON'S campaigners conceded that they may have allowed to slip away votes pledged to them in a bloc by Issa Hiyatou, the president of the African confederation, as well as votes closer to home in Europe.

Blatter had contended on the eve of the ballot that he was assured of the votes of 18 of the 51 member countries in Johansson's European backyard, and 20 votes from 51 African members

only 43 of whom voted Monday. In Europe, France had been swayed by Blatter's promise that he would give Michel Platini, the head of the France '98 World Cup organizing committee, the post of sports director at FIFA.

Blatter said Monday the appointment would be ratified in October or November. Johansson begs to differ. He pointed out that it was not the president's prerogative to create positions without consulting FIFA's executive commit-

"Platini was a great footballer," said Johansson. "I don't think it was right to make him director without any discussion. He's not employed yet to my knowledge - I hope not.'

Thus there was division on day one of the new presidency. The deep and open wound is a challenge to Blatter. He has proved as able a campaigner as be undoubtedly is an administrator. Now he must show that he is also a healer. For soccer will prosper only when the two protagonists of Monday's contest work out a deal to carry the business for-

COREBOARD

BASEBALL

R LEASUE S-LADAK:

. Rob Hughes is sports correspondent of The Times of London

Coach Parreira Recalls Brazil but Looks Ahead With Saudis

As Brazil, the reigning champion, kicks off the World Cup finals Wednesday, Carlos Alberto Parreira, the man who coached Brazil to the title in 1994, will have other worries. He is trying to plot a route through the first round for his new team, Saudi Arabia.

Since the last World Cup, Parreira has coached club teams in Spain, Turkey and, most recently, the United States. He coached Kuwait in the 1982 finals and the United Arab Emirates in 1990. This summer he and Bora Milutunovic, Nigeria's coach, will become the first coaches to lead four different nations in the World Cup finals. Parreira talked to Christopher Clarey of the International Herald Tribune at his team's training camp in Sainte-Maxime France.

Q. How different is this experience compared with your other World Cup experiences with Gulf teams?

A. When I went with Kuwait and Arab Emirates, it was the first time for those nations. Saudi Arabia is going for the second time, and they were quite successful the first time [in 1994], particularly for a semi-professional team. They really expect it will be the same, and they really expect to reach the second round again. So there is more responsibility for me this time. I'm not trying to find excuses, but I tell them that World Cup in America was so different, so special.

This one is in Europe, and it will be difficult not only for the Saudis but for Brazil and Argentina. The Europeans

Q & A / Carlos Alberto Parreira

will be at home, and the heat will not be a factor as it was in America. We were playing some games in 120 degrees Fahrenheit [49 degrees centigrade] in Dallas. That affects the Europeans a lot. Here a lot of the games are at night, and the weather will be helping them. The speed of the game will be much faster than it was four years ago, which is to the Europeans' advantage. They will be able to press for 90 minutes.

Q. Was it an easy decision to leave New York for Riyadh?

A. No. In my mind, I had settled in Manhattan with my family for two or three years. But then the phone rang. It was the man of confidence of the prince who heads the Saudi Federation. The main thing for me was that I was excited to get back in the World Cup again. People say, 'Well, you were with Brazil, and now you are with Saudi Arabia. What a difference. But I think being in the World Cup no matter which team you coach is great, because every coach in the world I'm sure would like to be in my position. I call it the Nobel prize of coaching.

Q. You wouldn't prefer to be with Brazil again?

A. No regrets. I was three times with Brazil in the World Cup. I was an assistant coach and physical trainer in

1970, the same in 1974 and then head coach in 1994. In three tries, I had the good fortune to win twice. I do not want to bush my luck. It's very hard. There is so much pressure. You are the public enemy No. 1. I know Mario Zagallo is suffering a lot, especially when Brazil lost the Gold Cup and the United States beat them.

My God, what they do to Zagallo at home! It's always the same. The press is so demanding in Brazil, and it's not just one television channel like before. Now it's 9 or 10 and 15 newspapers. It's unbelievable. There are 400 people there on a daily basis. You have to be a superman to do that. I was strong enough to stay four years and keep my sanity doing what I felt was right, not what they felt was right. But you and your family suffer a lot. I just said, Enough is enough, it's just a sport, not a question of life or death.

Q. What's the biggest challenge for

Brazil if they want to retain their title? A. I think the quality of the team now is a little better than in 1994. There are players like Ronaldo, Denilson, Roberto Carlos and Rivaldo. This is the big advantage of Brazilian football. Other teams have to rely on one striker, but on the other hand, you don't win a World Cup with quality, otherwise we would have won all the previous World

Cups. You need experience and chemistry. In 1994, it helped us a lot that we suffered in the qualifying games. This team now did not have to qualify. The players did not suffer. Sometimes in life you need a little suffering to come out

Q. Will it feel strange to be coaching another team in the same tournament as

A. I'm sure I will miss something. Perhaps that feeling four years ago when I couldn't breath well before the games started. The chest felt contracted because we knew when we walked on the field that everybody back in Brazil was in front of the television. Can you imagine Fifth Avenue in New York on a weekday at 3 o'clock with nobody in it? That was the main avenue in Sao Paolo. and now it's only the national team because Brazilians don't care much about soccer at the club level anymore. The only thing that brings the country together is the World Cup.
Q. What do you think of Saudi Ara-

bia's group?

A. France will win the group, and the rest of us will fight for the second. I've seen the French three times, and they are one of the few teams in the world with five or six big stars.

Q. How has Saudi soccer evolved? A. We are the only team in the World Cup with no players playing outside the country. If you see a game in Saudi Arabia, it's so cool, so soft. This is not what we are going to face in the World Cup. There is more contact; there are physical duels.

Q. This team has had five different coaches since the last World Cup. Does this approach hurt them?

A. It's a question of patience. It's the country itself; the Gulf itself. It's the same if they're building a building. If it's not going right, they change the engineer. But I don't think it works in soccer. Each time, the coach needs time to know the players, to give them a style and a personality. I know the situation, but I feel the mentality is improving. I find people more open here now. They are trying to understand that it is important to leave people to work, to have some continuity

Q. How would you compare the resources available to you with elsewhere in the world?

A. For the national team to prepare for the World Cup, they will do whatever is necessary because it's a question of pride for the government. We represent the government.

Q. Do you ever close your eyes and still see a horde of Brazilians waving microphones at you?

A. I had to pass in front of them everyday. If you ask me what I miss most about coaching Brazil, is to see those players, that quality, on a daily basis. Any drill, even the most simple one, is great. It's never the same anywhere else. You forget about the world

Denmark's Riis Is Anxious to Prove He's No One-Race Wonder

By Samuel Abt International Herald Tribun

IX LES BAINS, France -Don't ask Bjarne Riis if this is a acomeback year because, as far as he's concerned, he hasn't been away. "No, really not," he says curtly.

"Really not." He knows as well as anybody that after he won the 1996 Tour de France convincingly, he finished seventh last year, more than 18 minutes behind. He knows that among his five victories last year, the only one that mattered was in the Amstel Gold Classic in May, when he overpowered the field, rode alone to victory and indicated that his form for the Tour in July would be as dominant as

it was the year before. Then he encountered the Tour's mountains and found that he suddenly could not climb them with the power and ease he had shown in such abund-

Don't ask him if he's looking for revenge because, the Danish rider insists, he's not mad at anybody or any-

"The same," he says, "really not." He turned 34 in April, old for a racer, but who can take revenge on time? The man who won the Tour de France last year is Jan Ullrich, a decade younger than Riis. Who can take revenge on a teammate and friend?

So, no comeback and no revenge. Perhaps he hopes to prove something this year in the Tour de France?

"Might be," he responds with his first show of animation. "But really I don't think I have to prove anything.

What do I have to prove? He indulges in a long pause. The interview is going like a soliloguy from that other Dane, Prince Hamlet. "What do I have to prove?" he repeats. "To everybody and myself that I'm still going strong." He looks reassured by his

Riis is eager, perhaps frantic, to show that he is not what some suspect: a oneoff, a rider who won only one big race in a career that is now in its 12th year. A longtime support rider and lieutenant for stars, he became a star himself in his first opportunity, at 32. But the question remains. Is he star or meteor?

Like Ullrich, who gained 10 kilograms (22 pounds) during the winter and then had to interrupt his training and racing because of illness, Riis is behind in his schedule. He crashed during a training ride in Denmark in February and broke his right wrist, which kept him out of races for nearly two

Although the injured wrist still bothered him in April, making it difficult for him to pull the handlebars, he said over the weekend as he prepared for the one-day Classique des Alpes that he felt no discomfort now. A stickler for diet and conditioning, he looked trim.
"I don't think I'm behind in my train-

ing," he said. He finished the multiday Peace Race last month in fifth place -'Pretty good, yeah,' he decided.
''And last week I won a race in

Spain," he added, referring to a stage in the Bicicleta Vasca. "No worries," he summed up, looking worried. That may be no more than the realization that the ball is over and Bjarne Riis has turned back into a

When he left the Gewiss team in Italy

at the end of the 1995 season and joined Telekom as a leader for the first time, he announced that his goal was to win the Tour de France, in which he had been fifth and third in two of the previous

TELEKOM was a minor team when he joined it and in 1995 was allowed into the Tour only as a merged entry with the equally undistinguished ZG team from Italy. From the start, Riis instructed the team in diet (bee pollen is one of his secrets), training methods and Thinking to Win.

He's the one who took Telekom to this level," said Udo Bolts, a teammate. The emergence of Ullrich two years ago and the development of Erik Zabel as a star sprinter at the same time contrib-

uted to the resurgence. 'Riis brought us a winning spirit," said Rudy Pevenage, Telekom's assistant directeur sportif. "He's a real professional, always looking at the details. The other guys look to him and do what he's doing.

The Dane is famous for his careful preparation of a major race, scouting

routes long beforehand and deciding where attacks are likely to succeed. In team meetings the day before a Tour de France stage, Riis will sometimes correct team officials who have mistakenly

explained a bend in the road. They'll say it turns sharp to the right here and very politely Riis will say, 'No. it turns to the left there, they made a change over the winter. Said somebody who knows about these team

Like Ullrich, who finished 14th, Riis rode a strong Classique des Alpes on Saturday, finishing seventh, a second ahead of his teammate and rival in the Tour de France. Like Ullrich again, he left Sunday to scout out sites in the

Ullrich was off to see most of the roads in the Alps, but Riis, who has already visited and ridden over these climbs this spring, was heading toward the only spot he did not yet know, the 53 kilometers (39 miles) between Montceau les Mines and Le Creusot where the final size and Le Creusot where the final time trial will be held a day before the finish in Paris. Often, that time trial decides the race.

صحدا من الاصل

29

SPORTS

S Pet Bulls Humiliate Jazz With Stifling Defense

In 96-54 Blowout, Utah's Score Is a Record Low

By Selena Roberts Ken York Times Service

thing that is as rugged as the side of a 50-38 rebounding farm life he prefers.

Out of this personality was born a player who used to crash to the floor for every advantage for the Bulls. loose ball and defend with a clenched jaw as a Chicago Bull, once upon a time.

So it had to rip at his callous fiber to see how unequipped his Jazz team was to counter the snarling defense of a Bulls team that all but kicked sand in the face of his passive players our day night at the United Center.

With their crew cuts, Scout badges and good manners, the Jazz played the part of a team from the Western Conference typically overwhelmed by a physical East team that hit and hit hard.

When it was over, the Jazz went whimpering away after being humiliated, 96-54, in Game 3 of the National Basketball Association finals.

The Bulls now have a 2-1 lead in the four-ofseven-games series. The 54 points was the lowest score in any National Basketball Association game since the introduction of the shot clock, breaking the previous record, 55, set by Indiana in March. It was 17 points lower than the lowest ever score in a finals game - most recently by Houston against Boston in 1981. The 42-

an NBA finals game. The Jazz were simply CHICAGO — There is bludgeoned by an aggressive something crusty and defense that left the team with hardened about Jerry Sloan, 26 turnovers, and pushed aside the Utah Jazz coach, some- as it found itself on the wimpy

NBA FINALS

"We didn't put up much of a fight," Sloan said after it was over. "I'm very disappointed about that. I'm somewhat embarrassed for the NBA for the guys to come out and play at this level, with no more fight left in them than what we had.

NBA FINALS CHICAGO 96, UTAH 54 0-T A PF 0-4 2 1 0-3 1 4 4-9 0 1 0-2 7 3 0-3 4 2 1-1 0 3 1-4 0 3 1-3 0 4 0-2 0 1 0-2 0 0 9-45 16 26

Utah 74 17 14 9—54 Chicaga 17 32 22 23 24—96 3-Pokat goals: Utah 1-9 (Anderson 1-1, Hornacei 0-1, Russell 0-2 Eisley 0-2, Morris 0-3), Chicago 4 11 (Buechier 2-3, Kerr 2-4, Pippen 0-1, Harper 0-1. Kukoc 0-2). Rebounds—Utah 45 (Ostering 9). Chicago 54 (Harper 10). Assists—Utah 16 (Stockhou

point margin was the largest in They got all the loose balls, all the offensive rebounds, and we turned the ball over."

Instead of countering with toughness, the Jazz settled for passive jumpers, rushed their plays and fell right into the hands of a Bulls team that was driving to the basket and pressuring the ball.

Early on, Ron Harper and Scottie Pippen applied ball pressure that overwhelmed even the calmest of Jazz players, John Stockton. At times, they would double up on Stockton at half court, cutting his ability to get his team into a pick-and-roll mode. The more pressure Harper and Pippen applied, the more

Stockton unraveled. By the end of the first half, Stockton had an uncharacteristic four turnovers. "We didn't respond by gritting our teeth and

executing despite their pressure," Stockton said, "We tried to do it in our own way, but that didn't work. Then everything just snowballed."

The Bulls did not let up. Pippen was relentless as he roved the court, uslanes and to interrupt any the second quarter just as the end of the first quarter. the Jazz started to wob-

"I think that kind of thing is a key for us," Pippen said. "I'm roaming on defense in order to "I thought Luc played him seen a team stop him from getting to real soft," Jackson said. "I fensively," the basket.



The Bulls' Scottie Pippen, left, and Luc Longley smothering Utah's Karl Malone. Chicago leads, 2-1.

'We just got beat.''
The Bulls stopped the Jazz down his touches.'

with a defense that was quick ing his long arms to dis-rupt Stockton's passing it came to Malone. After Malone made his first six driving layups by the shots - the bulk of which and reaching in to strip the Jazz. At one point, he came around an immobile Luc Jazz. He ended the game with planted his body in front Longley in the first quarter — six rebounds and four steals. of a charging Karl Ma-lone and took a charge in nis Rodman onto the scene at

> Once Rodman stepped onto the floor, Malone lost his edge. He made just two of his next five shots and had seven

put in Dennis, and they never "They are us alive."

As Pippen, Harper and Rodman applied pressure. Toni Kukoc was throwing himself on the floor after loose balls He was the perfect com-plement to a defense that left

the Jazz looking just like any other team from the West usually looks when faced with the grizzled teams from the East: physically outmatched. "I don't know if I've ever

seen a team play better de-fensively," Sloan said.

Angels Win a Weird One

Rockies' Shortstop, in as Catcher, Muffs a Wild Pitch

under Dante Bichette's towering fly to shallow left field with two outs in the ninth inning, many of the Anaheim Angels fans cheered and started scurrying for the exits.

But the Anaheim outfielder began moving to his left, then his right, then stumbled around

BASEBALL ROUNDUP

as he lost the ball in the lights and early evening haze. It landed 20 feet (6 meters) away from him, giving Bichette a double and Colorado two runs to tie the game.

That proved to be just the start of ninthinning weirdness in the Angels' 6-5 victory Sunday that ran their winning string to eight games and pulled them within 2½ games of Texas, the American League West leader.

By the time Jim Edmonds scored the winning run from third on a wild pitch in the bottom of the inning, the Rockies had shortstop Neifi Perez behind the plate and right fielder Larry Walker at his third position of the inning — third base.

Edmonds, who had doubled and gone to third on a throw home that nailed Dave come a four-run deficit to win in St. Louis. Hollins at the plate, scored when Jerry DiPoto (1-2) threw a slider in the dirt for a wild pitch and the new catcher, Perez, couldn't block it.

Braves9, Orioles0 In Baltimore, Greg Maddux (9-2) pitched a four-hitter to blank the Orioles, who had gone a major league-best 128 games without being shut out.

Padres 17, Rangers 8 In Arlington, Texas, "We don't have any excuses at all," Malone said. with Karl on the post. From Scored 11 runs over the final two innings to hit a home run. In the fifth inning to stay by hitting him.

Cubs 13, White Sox 7 In Chicago, Sammy Sosa and Jose Hernandez each hit three-run homers as the Cubs won their ninth straight,

their longest winning streak in the '90s. Blue Jays 3, Phillies 1 In Toronto, Chris Carpenter got his first win since he joined the starting Blue Jays' rotation and Carlos Delgado barreled over Philadelphia catcher Mike

Lieberthal to score Toronto's go-ahead run. Devil Rays 4, Expos 3 In St. Petersburg, Florida, Mike Kelly scored from first when Montreal threw the ball all over Tropicana Field in the bottom of the 11th. After drawing a one-out walk, Kelly broke on a slow hopper to third and never stopped at second as the throw went to first. When the return throw to third got away, Kelly scored as the Devil Rays

ended a five-game losing streak.

69-86-70-73-278
70-65-70-73-278
70-68-66-74-278
64-66-71-77-278
70-69-71-69-279
67-66-76-70-279

LOS ANGELES — As Darin Erstad drifted and Bobby Higginson and Tony Clark nder Dante Bichette's towering fly to shall be a second of the state of the homered for Detroit.

Astros 7, Royals 1 In Houston, Shane Reynolds (7-3) pitched an eight-hitter and Jeff Bagwell had three extra-base hits for Houston. Reynolds won his fourth consecutive start

by pitching his third complete game. Dodgers 7, Mariners 4 In Seattle, Gary Sheffield and Eric Karros each hit home runs and Darren Dreifort won for the fourth time in five games. Ken Griffey Jr. hit a two-run homer, his American League-leading 24th and Seattle's major league-leading 100th.

Diamondhacks 12, Athletics 4 Devon White went 4 for 6 with a three-run homer and Yamil Benitez added a homer as Arizona snapped a losing streak by winning in Oakland.

Red Sox 5, Mets 0 In Boston, Steve Avery (3-) had his best start in two seasons with Boston, pitching seven shutout innings. Avery, trying to regain the form that made him one of baseball's best left-handers in the early 1990s. had his second strong outing in four starts since he was recalled from Triple-A Pawtucket.

Giants 6, Cardinals 5 Brian Johnson and Jeff Kent each homered as San Francisco over-Mark McGwire went 2 for 3 with two doubles and two walks - one intentional - for the Cardinals, who have lost eight of nine.

In games reported in late editions Mon-

Indians 6, Rods 1 Dave Burba got even with the Cincinnati Reds, the team that traded him on the eve of opening day, when he became the first Cleveland Indians pitcher in 26 years

In the fifth inning, he put the Indians ahead to stay by hitting his third career homer, a tworun shot, in the fifth inning. It was the first homer by a Cleveland pitcher since Steve Dunning connected on Sept. 19, 1972.

Tens of thousands of Indians fans made the trip to southern Ohio for the weekend series, bringing a playoff atmosphere to Cinergy Field. Attendance for the three-game series was 144,917, Cincinnati's best since a series against Los Angeles in September 1974.

Yankees 4, Marins 1 In New York, David Cone, who missed his last start when he was bitten on the hand by his mother's dog. pitched a two-hitter and struck out a seasonhigh 14. Twins 3, Pirates 2 In Pittsburgh, Matt Law-

ton's go-ahead pinch-hit single in the seventh inning ended the seven-game winning streaks Tigers 4, Browers 1 In Milwaukee, Justin of both Jason Schmidt and the Pirates.

SCOREBOARD

BASEBALL MAJOR LEAGUE STANDINGS

L Pct. G8 13 .772 — 25 .523 10% 31 .500 15% 33 .468 .17½: .607 .450 .400 .397 --9% 12% 12% NATIONAL LIAGUE

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—Detroit, Higginson (11), Ta.Clark (11).

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Tampa Bay 002 010 000 01—4 12 1
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Vozquez, M. Batisfa (a), Testord (8), Kilne (10) and Widger, J.Johnson, Mecir (7), R. Hermondez (9), A. Lopez (10) and DiFefic. W—A. Lopez, 2-1, L—Kline, 1-3, HR—Tumpa Boy, McCracken (5).
Kurstas (6) 901 908 909—7 11 0 Pittsley, Bevil (4), Haney (5), Pichardo (7), Whisenant (8) and MLSweeney, Reynolds and Eusebic, W—Reynolds, 7-3, L—Pittsley, 0-1, HRS—Houston, Deleik (8), Bogwell (9). White Sax 100 198 500—7 11 0 Cubs 500 200 900—12 14 0 Strofta, T. Castilla (3), Boldwin (4), Fordham (7), Simas (8) and Krewiez JeConzolez, Steenstra (7), Mulholland (7), Pisciotta (9) and Servols, W—Ja, Gorzalez, 5 Philipadelphia 000 106 900—1 10 0
Toraute 000 210 00x—3 9 0
Schilling and Lieberthak Carperter, Pissoc
(8), Ra.Myers (9) and Delesandro. K.
L.Brown (9). W—Carpenter. 2-2.
L.—Schilling, 5-7. Sv.—Ra.Myers (15).
Claveland 000—1 9 0
Burba, Phank (7), Assemmacher (8), M.
Jackson (9) and Borders, Kingenbeck,
Graves (8), Sulfivan (9) and Toubensee.
W—Burba, 8-4. L—Kingenbeck, 0-1.
HRS—Cleveland, Fryman (9), Burba (1).
Starker, 100, 100, 100, 100, 100, 100.

Horida 000 006 010—1 2 8 N.Y. Yankees 102 010 90x—4 8 1 Dempster. Alfonseco (5), Dovensbourg (7), J. Powell (8) and Zourg Core. Girard. W—Core, 8-1. L—Dempster. 0-2. HRS—Yankees. ONeff (7). T. Marrinez (8), B. Williams (9). Affairin 221 002 002—9 14 9 Baltisnere 090 000 000—0 4 9 G. Maddux and Edd. Perez: Drobek. Mills. (4). Chariton (6). Dykhoff (9) and Webster. W—G. Maddux, 9-2. L—Drobek. 5-6. HRS—Alfords, Galarings (203), A. Jones (10). Milnesofts 100 001 100—3 8 0 Pitisburgh 100 010 000—2 4 2 Tewisbury. Serinfini (6). Trambley (7). Swindeli (7), Aguillera (9) and J. Valernitt Schmidt. Loolza (8) and Kendall. W—Seratini 2-0. L—Schmidt. 8-2. Hermonicz (7).

San Diego 101 040 065—17 15 1

Texas 162 060 302—8 9 1

Langston, C. Reyes (6), Micell (7),

Hoffman (9) and Romero, C. Hermandez (8); With, Gunderson (7) D. Patierson (8), Crobtnee (8), Bolles (8), Levine (9) and 1. Rodriguez, W.—Miccil. 5-2. L.—D. Patierson, 1-2. HRs.—San Diego, G. Voughn (21), Texas, W. Clark (9).

Las Angeles 180 105 006 175.—4 13

W. Clark (9).
Los Angeles 180 105 006—7 12 2
Seoffle 000 000 103—4 13 1
Direlfort, Guthrie (9), Rodflesky (9), Osuna
(9) and C. Johnson; Moyer, B. Wells (6),
Spoljaric (8), McCarthy (9) and D. Wilson,
W—Drelfort, 4-5, L—Moyer, 3-6, Sw—Osuna
C. Life to denders Shotfled (9), Karre W—Drenott, 4-5. L.—Maryer, 3-6. SV—Usinia (3). HRS—Los Angeles, Sheffield (9). Karros (3). Seaftle, Griffey Jr. (24). Artzone 020, 421 030—12 15 1 Oekland 000 048 090—4 6 1 Bn.Anderson, Telemaco (6), R. Springer

(9) and Stinnett Condistii, Witosick (2), Small (5), T. J.Mathews (6), Fetters (8), Mohler (9) and Hinch, MacCarlane (7).

Mohler (9) and Hinch, Mocfarlane (7).

W—Bn.Anderson, 4-6. L—Candiotti 4-7.

HRs—Artzons, D. White (9). Deliucci (4), Y.
Benilez (3). Oaktand, Glambi (6).

N.Y. Mehs 908 000 000 000—5 8 1

Yoshii, Hudek (6). Cook (7), Rojas (8) and

A. Castillo, Tahum (8), Avery, Garces (8) and

Hartleberg, W—Avery, 3-1. L—Yoshii, 4-2.

HR—Boston, M. Yaughn (18).

Colorado 900 001 202—5 14 2

Lampkin (3), W-Gardner, 5-2, L-Mercker, 5-4, Su—Nen (18). HRs—San Francisco, J. Kent (7), B. Johnson (9).

BASKETBALL

FINAL
United States 71, Russia 65
FINAL STANDINGE: 1. United States; 2.
Russia: 3. Australia: 4. Brasil: 5. Spain; 6.
Lithuania; 7. Cuba; 8. Slovakia; 9. Japan; 10.
Hungan; 11, Germany; 12. Chine: 13. South

CRICKET

ENGLAND VS. SOUTH AFRICA ind: 462 and 170-8

South Africa: 343
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FOOTBALL NFL Europe W L T Pct. PF PA 7 3 0 200 198 142

Amsterdom 26, Scotland 23
England 28, Barcelong 20

Final scores Sunday of \$2 million Ker

MOTOR RACING

Brad Fabel, U.S. Clark Dennis, U.S. Torniny Tolles, U.S. Fred Funk, U.S. Steve Stricker, U.S. Craig Parry, Aus. Hal Suffan, U.S.

2. Tiger Woods, U.S., 11.47 3. Davis Love 3d, U.S., 10.77

7, Justin Leonard, U.S., 8.24 8. Fred Couples, U.S., 8.02 9. Mark O'Meara, U.S., 7.63

12. Phil Mickelson, J. U.S., 7.49 13. Lee Westwood, Britain, 7.44 14. Masoshi Ozoki, Japan, 6.80 15. Jim Furyk, U.S., 6.29

16. Tom Lehmon, U.S., 7.55

gomenie, Britain, 9. cm. Australia, 9.63

CANADIAN GRAND PRIX

hour 40 minutes 57,355 seconds

2. G. Fisichella, Italy, Benefton 1:41:14.017 3. Eddie Irvina, Britain, Ferrari 1:41:57.414

SOCCER

Koroten i Ofimpija 0 Gorica 2 Publikum 0 FINAL STANDINGS: 1. Maribor 7s points; 2. Mara 67; 3. Gorica 65; 4. Aldovscina 57; 5. Olimpija 51; 6. Publikum 69; 7. Velenje 43; 8. Korolan 42; 9. Bellinci 34; 10. Vevce 19.

SLOVAK CUP FINAL MAJOR LEAGUE SOCCE

5. R. Barrichello, Braz., Stewart 1:42:18.868 6. Jan Magnussen, Den., Stewart 1 tap 7. Shinji Nakana, Jap., Mihamdi 1 tap 8. Ricardo Rosset, Brazil, Tyrrell 1 top 9. Pedro Dioiz, Brazil, Arrous 1 tap 10. Locauses Villaneus, Crp., Williams 6 tap

DRIVERS' STANDINGS: 1. Mika Hakk

et, Fritania, McL, aren Metroees, 4c points; 2. Schumacher, 24; 3. Dovid Couthorn, Britain, McLaren Mercedes, 29; 4. Irvine, 19; 5. Gi-arcario Fisichella, 13; 6. Alexander Wurz, 12; 7. Heinz-Harald Frentzen, Germany, Was-ams Mecachrome and Villeneuve, 8; 9. Rubens Barrichella, 4; 10, Milko Salo, Finland.

CONSTRUCTORS' STANDINGS: 1. McLaren 75 points; 2. Ferrori 52; 3. Benetton 24: 4. Williams 14: 5. Standard 24: 5. Standard 24:

Los Angeles S. New England 1 Octios S. Washington D.C. 4 New York-New Jersey 2. Miami 1 STANDINGS: Eastern Confere

New England 10: Tempo Bay 9. Western Conference: Los Angeles 34 points: Chicago 19: Dollas 18: San Jose 15: Colorado 14: Kan-

TENNIS ATP BANKINGS

ATP WANKINGS

1. Pele Sompros, U.S., 3.780 points

2. Marcelo Rios, Chile, 3,641

3. Petr Korda, Czech Republic, 3,463

4. Greg Rusedski, Brithin, 3,094

5. Carlos Moya, Spoln, 2,966

6. Petrick Roffer, Abstratio, 2,727

7. Yevgeny Krielnikov, Russia, 2,777

8. Jones Bjorkmon, Sweden, 2,593

9. Alex Corestio, Spoin, 2,523 10. Felix Marmina, Spain, 2-885 11. Cedric Polisine, France, 2-335 12. Korol Kucera, Stovalda, 2-293 13. Richard Krulicek, Metherlands, 2-212 14. Michael Chang, U.S., 2-081 15. Alberta Berasafegui, Spain, 2-030

16. Alberta Bettstergut - WTA BARIKINGS

7. Martina Hingls, Switzerland, 4, 103 pts

2. Lindsop Davenport, U.S., 4, 300

3. Jona Nevetina, Czech republic, 3,901

4. Aruntza Sanchez, Spoin, 3,399

5. Monica Seles, U.S., 2,847

6. Venus Williams, U.S., 2,808

7. Conchito Martinez, Spoin, 2,622

8. Aruntza Cortzer, South Africa, 2,316

9. Irina Spidea, Romania, 2,230

10. Mary Pierca, Franca, 1,964

11. Anna Kournitava, Russia, 1,932

12. Nottholis Touziat, Franca, 1,974

13. Potity Schryder, Switzerland, 1,972

14. Sondrine Testud, France, 1,875

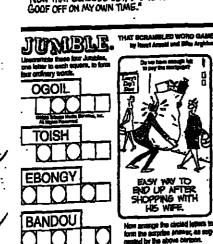
15. Dominique Van Roost, Belgium, 1,865

16. Anke Huber, Germany, 1,778

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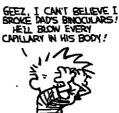














CALVIN AND HOBBES

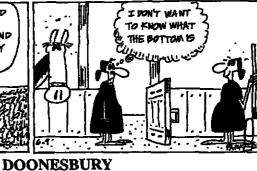






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'C'ULISAUS, FROM 'MEER
BLASTERS' TO 'POWERM'

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n's gone.'
This very strange." director said. "Are you sure India was Buchwald here in the first place?" Yes, sir. India was right

here. Something big must have happened for it to disappear from sight." Does India want us to

'Sir, India has just disap-

'What the devil are you

peared from the face of the

talking about?"

the U-2 photos.

India used to be

here — now

"Here are

think it is no longer there so it can embarrass the CIA?"

20th-Century Art Gets Its Day in Basel

New York Times Service BASEL, Switzerland — More than 260 galleries from Europe, North America. from the face of the Earth. We Asia and Australia will exhibit more than 1,000 works hibit more than 1,000 works of 20th-century art when the slightly annoyed. "We'd bet-29th annual international art ter find out what's going on fair known as Art Basel opens

here Wednesday.
The works of such artists as Marc Chagall, Chuck Close, our photos show is a mush-Max Ernst, Jacques Lipchitz, room cloud floating over its Joan Miro and Robert Rauschenberg are expected to draw some 50,000 visitors before the show at the Messe Basel Fairground ends next Monday.

Besides painting, photography, prints, mixed media, video and installations. Art Basel will present for the first time a section devoted solely to large-scale sculpture.

WASHINGTON — The CIA chief for Southeast have been watching every-Asia rushed into the directhing India has been doing, and we didn't see anything

ART BUCHWALD

An SOS From the CIA

that looked suspicious. The director looked at the photos. "What is this large

cloud in the photo?" "I don't know, sir. We think it looks like a hydrogen

bomb. "That's impossible. India doesn't know how to construct a hydrogen bomb. They can't even build an atomic one. But the Indians make very good ivory chess sets. Have you checked with our man in New Delhi?"

"There is no New Delhi. We can't find it. There is a vast wasteland where it used to be located."

This is very interesting. What was the last intercept we had from our listening devices?"

'All the person said was, 10-9-8-7-6-5-4-3-2-1, and then it went dead. We're trying to break the code now. Another top CIA executive rushed into the office. "Sir, Pakistan has disappeared

can't find it anywhere." before Congress does. Any

"No, sir. The only thing

Well, it's a start on finding out what's going on. Ask the National Weather Service if a mushroom cloud has anything to do with El

"Are you going to tell the president, sir?"

"I'm not sure. He's getting such bad news these days hate to bother him."

A New Departure for a Man With Many Selves

By Sarah Lyall

ONDON - As he will be the first to tell you, Nicholson Baker is an author of

many reputations. Some people think I'm a weird nut case with some sort of strange filing system," he said, referring to those readers puzzled by his minutia-filled mental meanderings in works like "The Mezzanine" and his obsessive attention to detail in his essays on libraries,

language and punctuation.
Then there are "the fairly intense Fermata' people," he said, who love with per-haps too much gusto his novel about a man who stops time and ogles naked women, and who presume that in the mild-mannered author they have found a sexual kindred spirit who gives literary validation to their own Xrated fantasies.

Both, and neither, might be true, said the 41-year-old Baker, stopping in London recently on the occasion of the publication of his latest book, "The Everlasting Story of

' yet another departure. The novel, which describes the relatively uneventful life of an imaginative 9-year-old American girl spending a year in England, represents another facet of what Baker hopes is a multifaceted writerly personality, one that has produced novels, nonfiction books and essays on such diverse subjects as the author's obsession with the writer John Up-

dike and the origins of the word "lumber." "Every book I've written I've tried to make very different from the one before," he said. "I'd like to have all my books make the same point - and it's kind of a stupid point, really -- that a single human being can think about a lot of different things. There can be nerdy parts and sordid parts and, with some luck, noble parts and morally nuanced parts.

"Every human being has a lot of different moods, and I would rather it would be evidence not of my being this weird, fragmented personality, but of the fact that all these things are part of one fairly normal self."

Interviewed at his hotel here, Baker exhibits the kind of affection toward words that you might expect from a man who, speaking at his sister's wedding in 1987, said, "These are excellent words, 'husband' and 'wife'; they lean toward each other, they exist in reference to each other; they link arms.'

For all its divergences from his earlier work, "Nory" has the hallmarks of a classic Baker project: the pointillistic accretion of knew that if I waited, they would be lost.



Nicholson Baker loves doing research, loves immersing himself in his subjects.

detail, the loving use of language, the tendency to go off on long, serpentine tangents that reflect the author's catholic and often abstruse interests. Baker is a man who loves doing research, who loves immersing himself in his subjects and who says he is "interested in anything."

Although Baker says he didn't want to "sound like I was doing some sort of home movie," he modeled the protagonist of during a year in which the Baker family moved from Berkeley, California, to live in the English cathedral town of Ely.

A number of details have been changed nonfiction but aren't," Baker said — but many of the funciful stories Nory tells, many of the words she uses and many of the things "Alice was telling these stories to herself, and she got this kind of panicky feeling that she wasn't going to remember them," Baker said. He got a kind of panicky feeling, too. "I knew that I'd already lost this person who was 6, as she evolved into this person who was 8. Some of the ways she spoke - odd little phrases and things - persisted, but they were going, and I

"I had a deadline, if I was ever going to fix point in which I could remember her as child, to catch a whole self in a book."

As he always does, Baker embarked on a period of research, except that this time he interviewed his daughter, immersing himself in her vocabulary, mental processes, moral framework and daily life. The book is peppered with Alice's made-up stories. which capture precisely a child's dark imag-"Nory" almost precisely on his own daughter, Alice, who was 9 when he wrote the book or may be her father's. In one passage, Nory considers the meaning of "fatal flaw." which leads her to think about "the last straw."

"The last straw was the straw that broke the carnel's back." she thinks. "The last 'I've never liked books that pretend to be straw was not repeat not, the last straw in the machine at a restaurant that when it was taken meant the machine was empty and you would have to drink your milk shake sadly without a that happen to her are direct from Alice. straw. Kids find out rather quickly that it is less fun to drink the normal way, with your mouth, because with a straw it's as if you have magical powers and are telling the drink, Kazam, kazaw, now climb the straw!"

While he let some of his own self slip into the book, Baker did not draw on his own childhood, a time in which, he said. "I was interested in very complicated parking gar-

One of the things he most enjoyed, he said, was recording a child's tendencies to misspeak, to use malapropisms or idiosyncratic language. Nory uses the word "heroine" for hero, describes something as being "not up to sniff," and says "heroriously" as a kind of cross between "uproariously" and "hysprically." These are Alice's mischles terically." These are Alice's mistakes, too,

and her father delights in them.

"It's very sad when a certain kind of misunderstanding goes away." he said. "I wanted to be sure to have those in place for. ready reference, but also I'd always liked: inventing new words or coming up with. ways in which the language would track reality in a new way.

One of the reasons for writing this book now, he said, is that he wanted to move past the unwelcome reputation as a purveyor of high-concept pornography that he seems to have picked up after the publication of his last two novels. In addition to "The Fermata," which many reviewers found distasteful, there was "Vox," which is a much more likable book but is essentially about two people having phone sex.

'My feeling about those books is that I'm very glad they were written," he said. "I did my best with them and felt they had to be written, but I wish that I hadn't written them, that I could now detach my own self from these books. They created a set of expectations I can't fulfill, and they alienated people. From my point of view as a father, I have to write as many books as possible, so books like 'Vox' and 'The Fermata' get lost: in the shuffle."

'The Everlasting Story of Nory' has drawn mixed reviews, with some reviewers accusing Baker of writing a plotless, meandering book and others saying it represents! a return to classic Baker form. Baker has been used to that, ever since one of the. earliest reviews for "The Mezzanine," slammed his "molassian streams of consciousness.

Some of them are ecstatic, saying the book is amazing and new, and others saying:
'What was he thinking? This is so bad,' 'he said of his reviews. "Any recent bad review annihilates all other bad reviews." But when a book works best, he added, "it has lots of. instructional surprises, and it has human truths, and there's love in it."

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He continued: "I feel I've finally done a book that I'm proud of. I was finally able to get down on the page the reason why a parent could love a kid.

PEOPLE

DARING musical mix of experimental techniques with a A DARING musical mix of experimental account of the familiar story that was a critical success and a smashing financial one for Walt Disney Co. won the Tony Award for best musical. "The Lion King" took six Tonys, including one for its director, Julie Taymor. Its chief competition, 'Ragtime.' a lavish musical based on E.L. Doctorow's celebrated novel, won four awards. And "Art," a threecharacter comedy about Parisian men whose disagreement over a Minimalist painting jostles loose fissures in their friendship, won the award for best play. The play, by Yasmina Reza, had not been favored to win the award. "The Beauty Queen of Leenane." about mother-daughter cruelty in rural Ireland, was considered the evening's likely winner. But the voters decided to go with this streamlined audience pleaser over Martin McDonagh's scalding comedy. The Roundabout Theater Company also had a big night, winning awards for best revival of a play, for Arthur Miller's "View From the Bridge," and best revival of a musical, for the seedy, atmospheric restaging of "Cabaret" that has become one of the hottest tickets in town. "Cabaret" also won awards for Natasha Richardson's lead performance as the singer Sally Bowles, for Alan Cumming's lead performance as the master of ceremonies at the play's Kit Kat Klub and for Ron Rifkin's featured performance as a Jewish shopkeeper. And Anthony LaPaglia won best actor in a play as the doomed dockworker in "A View From the Bridge." Audra McDonald won for best featured actress in a musical for playing a struggling wife and mother in "Ragtime." It was her third Tony.

Mohamed al Fayed again assailed the mother of Diana, Princess of Wales, calling her a hypocrite, and challenged Prime Minister Tony Blair to confirm Britain's intelligence services had no part in the princess's death. Al Fayed had been condemned in the British press for calling Diana's mother a snob and a bad parent on Friday at the end of a daylong inquiry in Paris by the judge looking into the Aug. 31 crash that killed the princess. But al Fayed, whose son, Dodi, was also killed. told the Sunday Mirror he had nothing to apologize for. He said Diana's mother, Frances Shand Kydd, had sat immobile during the hearing while he had to leave several times because

German Is Top Sommelier

international association of sommeliers.

Agence France-Presse

VIENNA — Markus del Monego put in a vintage performance Sunday in a championship knockout that saw him beat France's big hope and be declared the world's top sommelier.

The German connoisseur beat out 28 other specialists in a six-day test at the ninth international sommelier championship here.

Eric Beaumard of France took second place and Norbert Waldnig of Austria came in third. The competition is run once every three years by the it was so moving. "There were no tears in her eyes," he said. "The simple fact is that these people can't talk to people like me. They are hypocrites. He also said he wrote letters of condolence after Diana's death to her ex-husband. Prince Charles, and to her brother, Earl Spencer, but got no answer. Neither have had the courtesy of responding.

Paul McCartney and the two other surviving Beatles got together Monday for a memorial service for his late wife. Linda. McCartney, George Harrison and Ringo Starr sang one of the group's hits, "Let It Be," during a service at St. Martin-in-the-Fields. Except for a photograph published last war when they because the start as a stable with the start war. year when they brought out an anthology album, the three have not appeared in public together since 1969. Linda McCartney died April 17 at age 56 of breast cancer.

Suffering from a throat infection, Billy Joel pulled out of two weekend concerts with Elton John in London, so the British singer agreed to perform alone. Joel had also backed out of their concert Thursday, in Manchester, because of an asthma attack, and that show was canceled after John refused to go solo. But facing the prospect of even more disappointed fans. John agreed to perform by himself at Wembley Stadium on Saturday and Sunday. The two still have 13 dates on their world tour, but it wasn't clear whether Joel would be able to



Julie Taymor accepting her Tony for best director.

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